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June 1, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**MEDICAL SCHOOL REPLACEMENT AFFILIATION AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES AND
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
(Second and Fifth Districts) (3 votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign the attached replacement Agreement with the Regents of the University of California (University) for the provision of Purchased Academic Services and certain patient care services at Harbor-UCLA Medical Center (Harbor) and Olive View-UCLA Medical Center (Olive View), effective July 1, 2006 through June 30, 2011. The maximum annual County obligation under this Agreement in Fiscal Year 2006-07 will be \$25,329,500.
2. Approve the one-time retroactive payment of \$1,342,145 for Purchased Academic Services and certain patient care services pertaining to Fiscal Year 2005-06. This includes a retroactive payment of \$187,850 for Harbor and \$1,154,295 for Olive View in Fiscal Year 2006-07.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

Under the existing medical school Affiliation Agreements, the County can annually renegotiate the financing provisions to reflect changes in the nature or volume of services purchased. This replacement Agreement has been designed to put into place new financing provisions for Fiscal Year 2006-07 and retroactive payment provisions pertaining to Fiscal Year 2005-06. It has also been designed to put into place clear requirements and principles of accountability for the medical school with regard to purchased academic services. This Agreement revises and replaces the prior July 1, 1999 Agreement (No. H-210840) and subsequent Amendment No. 1 dated June 19, 2001 and Amendment No. 2 dated July 6, 2004.

FISCAL IMPACT/FINANCING:

The maximum annual County obligation under the Agreement in Fiscal Year 2006-07 will be \$25,329,500 for Harbor and Olive View. This reflects a \$4,846,125 increase over the Fiscal Year 2005-06 contract amount that will carry forward to

Fiscal Year 2007-08. Of this total, \$1,145,000 will be absorbed within the Department of Health Services' (Department's) Fiscal Year 2006-07 existing resources. The remaining \$3,701,125 in additional cost will be included in the Department's Fiscal Year 2006-07 Supplemental Budget request.

In addition, this Fiscal Year 2006-07 Agreement includes provisions for the one-time retroactive payment of \$1,342,145 to the University for services provided in Fiscal Year 2005-06. This additional cost will be included in the Department's Fiscal Year 2006-07 Supplemental Budget request. This action does not increase net County costs.

Contract costs are summarized, by facility, in the table below:

FACILITY	CURRENT AFFILIATION AGREEMENT	FY 2006-07 REPLACEMENT AFFILIATION AGREEMENT	FY 2006-07 VARIANCE	FY 2005-06 RETROACTIVE PAYMENT
HARBOR	\$7,966,650	\$10,679,000	\$2,712,350	\$187,850
OLIVE VIEW	\$12,516,725	\$14,650,500	\$2,133,775	\$1,154,295
TOTAL	\$20,483,375	\$25,329,500	\$4,846,125	\$1,342,145

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Department entered into the current Agreement with the Regents of the University of California in 1999. This Agreement had an initial term of five full contract years, consisting of the first year plus a one-year automatic extension at the end of each contract year. Amendment Nos. 1 and 2 revised the nature and volume of purchased services to reflect changes in the training programs as well as incorporated new County contract provisions.

To avoid the need to renegotiate the entire Agreement each year, those provisions that are likely to change on an annual basis are contained in either addenda or exhibits to the Agreement. Any material or substantive changes to either the Agreement in whole or to the addenda, particularly with regard to the level of funding, require approval by the Board of Supervisors. A summary of the changes in the exhibits and addenda is outlined below.

Exhibits I and II – County and University Training Programs

Exhibits I and II list the County and University training programs in place at Harbor and Olive View. These exhibits are updated to reflect changes in the training programs based at each of these facilities. The most significant changes include the re-establishment of the Dermatology Program at Harbor retroactive to July 1, 2005 in order to address a Residency Review Committee (RRC) citation and the establishment of the Anesthesiology Program at Olive View effective July 1, 2006.

Addendum A – Purchased Services

The Purchased Services Addendum (Addendum A) delineates the nature and volume of the services to be purchased under the Agreement and includes provisions for retroactive one-time Fiscal Year 2005-06 payment, as outlined in the newly added sections A.I.5 (Harbor) and A.II.5 (Olive View).

Addendum A-I (Harbor) – Fiscal Year 2006-07

Harbor's Addendum A-I includes an increase for Fiscal Year 2006-07 of \$2,712,350. Of this total, \$1,115,000 (41%) is included in the Department's Fiscal Year 2006-07 Proposed Budget. In Fiscal Year 2005-06, the Board approved additional Trauma Augmentation funding of \$765,000 for Harbor to accept additional trauma cases from King-Drew Medical Center. In addition, \$359,000 (includes 2.5% cost-of-living adjustment [COLA]) for the Informatics program is funded in the Department's Fiscal Year 2006-07 Proposed Budget. The Informatics program, which will be implemented Department-wide, represents a partnership between information technology professionals and clinicians to improve information processing and communication of medical practice, education, and research.

A recruitment and retention fund of \$1,215,000 is included to allow the faculty to comply with the ACGME standards concerning resident supervision and fund academic stipends in order to address growing physician recruitment and retention issues. These issues arise from the increased disparity between County and market/academic salaries in the Orthopaedic Surgery, Pediatric Surgery, Radiology, and Emergency Medicine Departments. An increase of \$61,000 is included for one new University trauma resident for Orthopaedics and \$47,000 for the Dermatology program. Teaching and supervision for five additional residents (\$18,000) is requested for various programs, including four residents for the transitional year to provide a well-balanced program of graduate medical education in multiple clinic disciplines designed to facilitate the choice and preparation for a specific specialty.

Lastly, this action would fund a 2.5 % COLA for Harbor (\$242,000). The COLA is applicable to each variable and fixed cost included in Addendum A-I, with the exception of the University housestaff. This is comprised of a variable cost COLA of \$216,000 and a fixed cost COLA of \$26,000. This 2.5% COLA is effective July 1, 2006.

Addendum A-II (Olive View) – Fiscal Year 2006-07

Olive View's Addendum A-II includes an increase for Fiscal Year 2006-07 of \$2,133,775. Of this total, \$30,000 for Clinical Resource Management Support is funded in the Department's Fiscal Year 2006-07 Proposed Budget. A recruitment and retention fund of \$500,000 is included to allow the faculty to comply with the ACGME standards concerning resident supervision and fund academic stipends in order to address growing physician recruitment and retention issues. These issues arise from the increased disparity between County and market/academic salaries in the interventional/procedural subspecialties in the Internal Medicine, Radiology, and Emergency Medicine Departments. Of this sum, \$200,000 is realigned from the current budget for "Supplement for Hard-to-Recruit Physician Specialties" to more appropriately classify this as a variable rather than fixed cost. In addition, \$150,000 described as "Clinical Resource Management Support" is realigned to more appropriately classify it as a variable cost.

Addendum A-II provides funding of \$1,391,570 for 23 additional residents, effective July 1, 2006. This includes the purchase of 18 additional residents due to the reorganization in the Veteran's Administration in Los Angeles, which necessitated the transfer of the Internal Medicine program from the Sepulveda's Veteran's Administration Medical Center (SVAMC) to Olive View. Previously, SVAMC rotated residents to Olive View in excess of what was paid for by Olive View. With the transfer of the program to Olive View, this subsidization ceased. In order to maintain current services and comply with ACGME requirements, Olive View will replace the housestaff no longer provided by SVAMC with an equivalent number of housestaff purchased from UCLA. Olive View will assume funding for two psychiatry residents that were previously funded by SVAMC. In addition, Olive View will also purchase one additional ophthalmology resident to address backlogs in service and two additional anesthesia residents to provide services in this hard-to-recruit specialty. University housestaff salaries are based upon the University's current academic pay scale which increased (\$132,500) since the last Agreement. Unlike most of the Department's hospitals, Olive View does not directly employ residents.

Lastly, this action would fund a 2.5% COLA for Olive View (\$144,000). The COLA is applicable to each variable and fixed cost included in Addendum A-II, with the exception of the University housestaff. This is comprised of a variable cost COLA of \$98,000 and a fixed cost COLA of \$46,000. This 2.5% COLA is effective July 1, 2006.

Addendum A-I, §A.I.5 (Harbor) – Fiscal Year 2005-06 Retroactive Payment

The one-time retroactive payment for Harbor is \$187,850. This includes an increase of \$45,829 for the re-establishment of the Dermatology program effective July 1, 2005, as discussed above. The ordinance positions for the two additional Dermatology residents were approved in the Department's Fiscal Year 2005-06 Final Budget. This sum includes payment of \$142,021 for one additional trauma surgeon for Orthopaedics effective July 1, 2005. Funding for this trauma surgeon was previously approved by the Board in Fiscal Year 2005-06.

Addendum A-II, §A.II.5 (Olive View) – Fiscal Year 2005-06 Retroactive Payment

The one-time retroactive payment for Olive View is \$1,154,295. This sum includes payment for 18 additional residents provided by the University (\$1,055,795) effective July 1, 2005. As discussed above, reorganization in the Veteran's Administration in Los Angeles necessitated the transfer of the Internal Medicine program (18 residents) from the Sepulveda's Veteran's Administration Medical Center to Olive View. This retroactive payment also includes \$98,500 for resident salary increases based upon the University's academic pay scale as of October, 2005.

Addendum A-III – Faculty Teaching Incentive Fund

The newly created Addendum A-III includes funding for the establishment of a Faculty Teaching Incentive Fund effective July 1, 2006. This will provide for the establishment of annual awards for excellence in teaching to be awarded to faculty each contract year, as determined by Harbor and Olive View's Joint Planning and Operations (JPO) Committee. The University and County agree to equally finance the Incentive Fund contributions each contract year, with University and County contributing \$25,000 each. The County's \$25,000 contribution shall be equally split, with Harbor and Olive View contributing \$12,500 each as provided in this Agreement.

PERFORMANCE AND PRODUCTIVITY:

UCLA provides academic purchased services under the Agreement. Academic activities are measurable and can be monitored with contract reporting requirements. The University will submit regular reports that track: residency program size and ACGME accreditation status; the ability of all programs to retain ACGME accreditation and the corresponding corrective action plans. To ensure faculty oversight, the Department worked with the Offices of the Auditor/Controller to develop a monitoring tool for tracking the scope of academic services provided by the University. Performance guarantees were developed to encourage the on-going quality of reporting accountability.

TERM AND TERMINATION:

The initial term of this new Agreement is five years, with a one-year automatic extension at the end of each contract year, unless either party serves notice of non-renewal, in which case the Agreement would expire five years hence.

CONTRACTING PROCESS:

Because this Agreement is a replacement of the current Agreement (No. H-210840) between the County and the Regents of the University of California and the services are specific to the University, the Department did not advertise this Agreement on the Los Angeles County Online Web Site. Additionally, given the nature and scope of the services provided by the University under the Agreement, as well as the historic relationship between the County and the University, the Department determined it was not feasible to competitively bid this contract.

The Honorable Board of Supervisors
June 1, 2006
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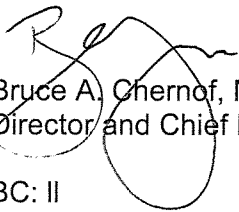
The vast percentage of the services provided pursuant to this Agreement are purchased academic services. County Counsel has advised that Proposition A does not apply to contracts for academic services. Therefore, the portions of the Agreement relating to academic services are not governed by Proposition A. However, it has been determined that the clinical services for the residents at Olive View fall under Proposition A guidelines. As a result, the Auditor-Controller's Audit Division has reviewed and approved the Department's determination that those clinical services under this Agreement are cost effective.

IMPACT ON CURRENT SERVICES:

The Agreement will continue the provision of medical education services at Harbor-UCLA Medical Center and Olive View-UCLA Medical Center.

When approved, the Department requires the original and three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BC: II
BLETC4232.PPS

Attachment (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

AFFILIATION AGREEMENT

By and Between

The Regents of the University of California

And

The County of Los Angeles

[Date]

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Exhibit 2-I:	Coastal Cluster
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ADDENDA

Addendum A-I:	Purchased Services – Coastal Cluster (including Harbor)
Addendum A-II:	Purchased Services – Valley Care Cluster (including Olive View)
Addendum A-III:	Purchased Services – Faculty Teaching Incentive Fund
Addendum A-IV:	Purchased Services – Total Payments
Addendum B:	Performance and Productivity

Contract No. _____

AFFILIATION AGREEMENT
BY AND BETWEEN
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
AND
THE COUNTY OF LOS ANGELES

THIS AGREEMENT is entered into this _____ day of _____, 2006,
by and between COUNTY OF LOS ANGELES
("County")
and REGENTS OF THE UNIVERSITY OF
CALIFORNIA, ON BEHALF OF ITS LOS
ANGELES CAMPUS AND SCHOOL OF
MEDICINE ("University").

STATEMENT OF PURPOSES

Mission of the County of Los Angeles Department of Health Services:

The mission of the County of Los Angeles Department of Health Services (DHS) is to improve health through leadership, service and education.

Mission of the UCLA School of Medicine:

To prepare its graduates for distinguished careers in clinical practice, teaching, research and public service. Recognizing that medical school is but one phase in a physician's education, an environment must be created in which students prepare for a future in which scientific knowledge, societal values and human needs are ever changing.

The faculty and students will actively collaborate to build a strong foundation which will include:

1. Enthusiasm for life-long learning.
2. Commitment to humanistic, compassionate, and ethical care of the individual and family.

3. Skills in effective communication, and commitment to education, including teaching students, colleagues, patients and the community.
4. Ongoing development of a broad and flexible base of knowledge and skills that integrates basic, clinical, social, and behavioral sciences with the art of medicine.
5. An understanding of the scientific method, and an appreciation of its application to clinical practice as well as to research.
6. Commitment to promote the health and well-being of the community, and an understanding of the special challenges and requirements of a pluralistic society.
7. Ability to lead in their chosen fields, in settings of rapidly changing technology and societal needs.
8. The ability to address complex societal and medical issues through a systematic, multidisciplinary, and collaborative approach.

Goals of the County of Los Angeles Department of Health Services:

1. Improve the value (quality and efficiency) of health care provided by DHS.
2. Enhance and protect the health of the residents of Los Angeles County.
3. Simplify and automate DHS and County processes for patients, partners, employees, and the public.
4. Reduce disparity in care and enhance cultural sensitivity across DHS.
5. Support Education and Research to improve the health of residents of Los Angeles County.

County and University believe that their missions are complementary and agree that it is in their best interests to continue to fulfill their respective missions through an affiliation.

THEREFORE: The Parties agree that University will provide services to County pursuant to the terms of this Agreement and that this Agreement shall supercede Agreement No. H-210840 and all Amendments thereto.

1. DEFINITIONS

- 1.1. **Academic Administrator.** An associate or assistant dean, or other person appointed by the Dean from among the Faculty, who is responsible for overseeing the day-to-day delivery of Purchased Services at Primary County Facilities, pursuant to § 2.2.2; or the designee of such person. It is the intent of the Parties that a single individual shall serve as Academic Administrator and Medical Director.
- 1.2. **ACGME.** The Accreditation Council on Graduate Medical Education, which is the accrediting body for graduate medical education programs, or any successor organization.
- 1.3. **Addenda.** Any addenda to this Agreement, as amended annually or otherwise, including the following:
- Addendum A-I: Purchased Services – Coastal Cluster
 - Addendum A-II: Purchased Services – Valley Care Cluster
 - Addendum A-III: Purchased Services – Faculty Teaching Incentive Fund
 - Addendum A-IV: Total Payments
 - Addendum B: Performance and Productivity
- 1.4. **Agreement.** This affiliation Agreement made between the County of Los Angeles and the Regents of the University of California, on behalf of its Los Angeles campus and School of Medicine, including all Exhibits and Addenda, as may be amended from time to time.
- 1.5. **Bylaws.** The Bylaws and Rules and Regulations of the Professional Staff Association(s) of Hospital(s), as may be amended from time to time.
- 1.6. **Chief Executive Officer.** The Chief Executive Officer of Los Angeles County - Harbor-UCLA Medical Center or Los Angeles County – Olive View-UCLA Medical Center, as appropriate, or his or her designee.
- 1.7. **[THIS SECTION INTENTIONALLY LEFT BLANK.]**
- 1.8. **Chief.** It is the intent of the Parties that a single individual shall serve as Academic Chief and Clinical Chief for each Department.
- 1.8.1. Academic Chief. An academic chief of a Hospital Department who is appointed by University pursuant to its internal policies, including any acting academic chief.
 - 1.8.2. Clinical Chief. The chief of a clinical department of Hospital, who is appointed pursuant to the Bylaws, including any acting clinical chief. Such individual must either be a member of the Faculty or have a pending Faculty appointment at the time of his or her appointment as Clinical Chief.

- 1.9. Chief Medical Officer.** The Director of Health Services of the County of Los Angeles Department of Health Services.
- 1.10. Contract Year.** July 1 through June 30 of any year for which this Agreement is in effect.
- 1.11. County.** The County of Los Angeles, including as appropriate its departments, facilities and officials.
- 1.12. County Housestaff.** Residents and post-graduate physicians enrolled in County Training Programs and employed by County.
- 1.13. County Personnel.** Employees of County working in Primary County Facilities.
- 1.14. County Training Program.** As may be set forth in Exhibits 1-I and 1-II, accredited residency or other medical education or allied health profession training programs sponsored by County, which are conducted in Primary County Facilities and whose trainees are employed by County.
- 1.15. Dean.** The Dean of University's medical school.
- 1.16. Department.** A clinical department at Hospital.
- 1.17. Department of Health Services/DHS.** The County of Los Angeles Department of Health Services.
- 1.18. Designated Institutional Officer (DIO).** The individual who is appointed by University with collaboration from County. Such individual must either be a member of the Faculty or have a pending Faculty appointment at the time of his or her appointment as DIO. The individual is responsible for the oversight of resident training programs inclusive of monitoring and evaluation.
- 1.19. DHS Director.** The Director of the County of Los Angeles Department of Health Services.
- 1.20. Exhibits.** Any exhibits to this Agreement, as may be amended from time to time, including the following:
- Exhibit 1-I: County and University Training Programs – Coastal Cluster
 - Exhibit 1-II: County and University Training Programs – Valley Care Cluster
 - Exhibit 2-I: Coastal Cluster
 - Exhibit 2-II: Valley Care Cluster
 - Exhibit 3: County Policies and Regulations
 - Exhibit 4: University Manuals
- 1.21. Facility JPO Committee.** The Facility Joint Planning and Operations Committee established pursuant to § 8 of this Agreement.

- 1.22. **Faculty.** Individuals holding academic appointments by University who provide Purchased Services in Primary County Facilities pursuant to this Agreement.
- 1.23. **GMEC.** The Graduate Medical Education Committee established pursuant to § 8 of this Agreement.
- 1.24. [THIS SECTION INTENTIONALLY LEFT BLANK.]
- 1.25. **Governing Body.** The Board of Supervisors for Los Angeles County.
- 1.26. **Hospital.** The County of Los Angeles Harbor-UCLA Medical Center or the County of Los Angeles-Olive View-UCLA Medical Center, as appropriate, including all inpatient departments and outpatient clinics.
- 1.27. **Housestaff.** County Housestaff or University Housestaff, as appropriate.
- 1.28. **JCAHO.** The Joint Commission on Accreditation of Healthcare Organizations, which is the accrediting body for health care facilities, or any successor organization.
- 1.29. **LCME.** Liaison Committee on Medical Education, which is the accrediting body for undergraduate medical education programs, or any successor organization.
- 1.30. **Medical Director.** The Medical Director of Hospital, or his or her designee. It is the intent of the Parties that a single individual shall serve as Medical Director and Academic Administrator.
- 1.31. **Medical Staff.** The Medical Staff of Hospital as defined in the Bylaws.
- 1.32. **Medical Student.** An undergraduate student of medicine enrolled in a school of medicine, who is not licensed to practice medicine.
- 1.33. **Party or Parties.** County or University, or both, as appropriate.
- 1.34. **Primary County Facilities.** Hospital and those other facilities and programs owned, controlled or operated by County, as listed in Addenda A-I and A-II, within the Coastal and Valley Care Clusters (as identified in Exhibits 2-I and 2-II), to which University Personnel are to be regularly assigned, and which are listed in Addenda A-I and A-II.
- 1.35. **Purchased Services.** Those services provided by University pursuant to this Agreement, as set forth in § 5.
- 1.36. **Senior Medical Director for Clinical Affairs and Affiliations.** The Senior Medical Director for Clinical Affairs and Affiliations of the County of Los Angeles Department of Health Services
- 1.37. **System JPO Committee.** The system-wide Joint Planning and Operations Committee established pursuant to § 8 of this Agreement.

- 1.38. **Training Program.** A County Training Program or a University Training Program.
- 1.39. **University.** The University of California, Los Angeles School of Medicine.
- 1.40. **University Graduate Medical Education Dean.** The Dean of the University's Graduate Medical Education Program
- 1.41. **University Housestaff.** Residents and other physicians enrolled in University Training Programs and employed by University.
- 1.42. **University Personnel.** Full or part-time employees of University, and any other persons provided by University to perform Purchased Services who are under University control or supervision (e.g., University's Medical Students and any Faculty who are neither employed by University nor County), working in Primary County Facilities.
- 1.43. **University Representative.** The individual appointed by the Dean who is primarily responsible for overseeing the provision of Purchased Services.
- 1.44. **University Training Program.** As may be set forth in Exhibits 1-I and 1-II, accredited residency or other medical education or allied health profession programs sponsored by University, of which some portion of the training takes place at Primary County Facilities and whose trainees are employed or sponsored by University.

2. RESPONSIBILITIES OF UNIVERSITY

- 2.1. **General.** University shall collaborate with County to establish the educational goals and objectives of academic programs. University shall supervise the academic programs in a manner consistent with the standards and requirements set forth by LCME and ACGME for program accreditation, and County's goals and objectives as expressed in the Statement of Purposes and elsewhere in this Agreement. The educational goals and objectives of the academic programs shall reflect University's commitment to providing education and Training Programs to Medical Students and Housestaff.
 - 2.1.1. Affiliation Responsibilities. Subject to Chief Executive Officer's ultimate responsibility for Hospital operations as set forth in § 3.1.2, University shall be responsible for the provision of Purchased Services as set forth in § 5.
 - 2.1.2. Physician Compensation.
 - 2.1.2.1. *Reporting.* Not less than annually or as otherwise reasonably requested by County, University shall report to Chief Executive Officer and Chief Medical Officer, on an individual,

unique identifier basis, all compensation paid each Faculty member from County funds, directly or indirectly, by University. Pursuant to requirements of § 11.12, University shall provide County with a copy of any contract with a third party, including an affiliate of University, for the distribution of County funds to Faculty members. This § 2.1.2.1 does not require University to provide County with copies of Faculty employment or professional services agreements.

2.1.2.2. *Limitation on Total Compensation from County Funds.*

University shall ensure that total compensation paid directly or indirectly to each Faculty member from County funds by University, combined with any compensation paid directly by County, does not exceed the seventy-fifth (75th) percentile of the Association of American Medical Colleges' national salary schedule for the applicable academic rank and practice specialty; provided that this limitation shall not apply (i) to any Faculty member receiving compensation from County funds in excess of the limit in this § 2.1.2.2 as of January 1, 1999; (ii) to Academic and Clinical Chiefs; and (iii) to any other individuals specified in Addendum A. For purposes of this requirement, University may rely on information provided by County as to the level of compensation paid directly by County to each Faculty member.

2.1.2.3. *Cessation upon Loss of Clinical Privileges.* Promptly upon receipt of written notice from County that a Faculty member's clinical privileges at Primary County Facilities have been terminated and that payment to the Faculty member from County funds for specified Purchased Services should terminate, University shall cease using County funds to compensate that Faculty member for performance of such Purchased Services subsequent to termination of his or her privileges.

2.1.2.4. *Exclusion from Federal Health Care Programs.*

2.1.2.4.1. *Cessation of Compensation.* Promptly upon learning that a Faculty member has been excluded from participation in one or more federal health care programs, including Medicare or Medi-Cal, University shall: (i) cease using County funds to compensate the excluded individual for performance of Purchased Services subsequent to the date of exclusion;

and (ii) immediately bar that individual from providing Purchased Services.

- 2.1.2.4.2. Indemnification for Exclusion from Federal Health Care Programs. University shall indemnify, defend and hold harmless County and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities or expenses arising out of or connected with the performance of Purchased Services by any person employed solely by University who has been excluded from a federal health care reimbursement program, provided that University: (i) knew or should have known of such person's excluded status during the term of this Agreement; and (ii) failed to remove such person from the performance of Purchased Services.

2.2. Administration of Purchased Services.

- 2.2.1. University Representative. University shall appoint a University Representative to oversee University's activities under this Agreement.

2.2.1.1. *Selection.* In the event of a vacancy in the position of University Representative, University shall consult with DHS Director or his or her designee and Chief Executive Officer; provided that University shall retain sole authority for appointing and terminating University Representative.

2.2.1.2. *Duties.* University Representative or his or her designee shall serve as University's contract officer for this Agreement. He or she shall oversee the provision of Purchased Services, coordinate University's participation in County Training Programs, and in consultation with County, coordinate any research approved by University's Institutional Review Board to be conducted in Primary County Facilities. This § 2.2.1.2 does not affect the terms of any independent contract between the Parties regarding research activities and does not remove any independent requirements for review or approval of such research, including those set forth in the Bylaws.

2.2.2. Academic Administrator.

- 2.2.2.1. *General.* University shall provide an Academic Administrator, who shall oversee the day-to-day delivery of Purchased Services under this Agreement. It is the intent of the Parties that a single individual shall serve as Academic Administrator and Medical Director.
- 2.2.2.2. *Selection Process.* In the event of a vacancy, County and University shall participate jointly in recruiting, evaluating and selecting a candidate to fill the position of Academic Administrator.
- 2.2.2.3. *Appointment.* Academic Administrator shall be selected in accordance with University's academic personnel policies, subject to concurrence of County and to the candidate's appointment by County as Medical Director. Faculty appointment of this physician shall follow standard faculty appointment procedures.2.2.2.4.
- 2.2.2.4. *Reassignment.* If Academic Administrator loses or fails to obtain standing as Medical Director, then University shall relieve that individual of his or her duties as Academic Administrator.
- 2.2.2.5. *Duties.*
 - 2.2.2.5.1. Academic Management. Academic Administrator shall oversee the University Training Programs in Primary County Facilities and County Training Programs.
 - 2.2.2.5.2. Academic Direction. Except as may be otherwise provided, academic direction shall be provided by University Representative and the Academic Administrator, working in conjunction with the Academic Chiefs.
- 2.2.2.6. *Associate Academic Administrators for Non-Hospital Primary County Facilities.* For the appointment of an associate academic administrator for any non-hospital Primary County Facility, except as otherwise agreed, University shall follow the same selection, assignment and reassignment procedures, as applicable, as used for the Academic Administrator at Hospital. The duties of an associate academic administrator at a non-hospital Primary County Facility shall be the same, as applicable, as for the

Academic Administrator at Hospital unless otherwise determined by the Academic Administrator in consultation with the Chief Executive Officer; provided that associate academic administrators at non-hospital Primary County Facilities shall be subject to oversight by the Academic Administrator in delivering Purchased Services under this Agreement.

2.2.3. Academic Chiefs.

2.2.3.1. *General.* University shall provide the services of an Academic Chief for each Department, such individual to be acceptable to County. It is the intent of the Parties that a single individual shall serve as Academic Chief and Clinical Chief for each Department.

2.2.3.2. *Selection and Reassignment.* Each Academic Chief shall be selected in accordance with University's academic personnel policies; provided that University shall consult with County regarding the selection. Status as Clinical Chief of the respective Department is a preferred qualification for service as Academic Chief. If an Academic Chief loses or fails to obtain standing as Clinical Chief, then University shall review the matter and in its sole discretion determine whether to relieve the individual of his or her duties as an Academic Chief.

2.2.3.3. *Duties.* Subject to the authority of University Representative and Academic Administrator, Academic Chiefs shall be responsible for academic supervision and management of their respective Departments.

2.2.3.4. *Performance Evaluation.* University shall be solely responsible for performance evaluations of each Academic Chief; provided that at such times as may be requested by University Representative, Chief Executive Officer shall contribute to the management aspect of such reviews.

2.3. **Program Planning.** University shall participate in joint planning and operations through the System JPO and Facility JPO Committees, as set forth in § 8.

2.4. **Compliance with County Policies.**

2.4.1. Knowledge and Compliance Generally. University Personnel shall be subject to and shall comply with applicable County policies, as identified in Exhibit 3, to the same extent as County Personnel. Whenever University Personnel are present at any Primary County Facility, such

persons shall be subject to the administrative and clinical rules and regulations of such Primary County Facility. University shall immediately remove any of its personnel from the provision of Purchased Services hereunder upon receipt of written notice from DHS Director or, as appropriate, the Director of County's Department of Mental Health, or his or her designee that (i) such person has violated applicable rules or regulations, or (ii) such person's actions, while on County premises, may harm County patients. County shall provide University with a written statement of the facts supporting any such violation or action within 24 hours of such removal.

- 2.4.2. Patient Complaints. University shall make a good faith effort to address patient complaints involving University Personnel, to bring those matters outside its control to the attention of appropriate County administrators, and to cooperate fully with County to resolve any such complaints.
- 2.4.3. Quality Improvement. University Personnel shall participate in quality improvement, utilization review and risk management activities as specified in the Bylaws; County's policies; all legal, accreditation and certification standards; and the conditions and terms of this Agreement. Each Academic Chief shall work in coordination with the Chief Executive Officer and the appropriate quality improvement bodies in developing and implementing his or her Department's quality improvement plan.
- 2.4.4. Medical Administration. University shall require that all University Personnel assigned to Primary County Facilities attend and participate in all applicable training provided by County under this subsection, including appropriate resource utilization, managed care procedures, accreditation and licensure, risk management, and other necessary training as identified and provided by County.
- 2.4.5. Medical Records. University Personnel shall cooperate in the timely completion and maintenance of a complete medical record for each patient encountered, on forms provided by County. The medical record shall, at all times, remain the property of County.

2.5. Personnel Responsibilities.

2.5.1. General.

- 2.5.1.1. *Medical Director and Clinical Chief Recruitment and Selection.* University shall participate with County in recruiting and selecting the Medical Director and Clinical Chiefs; provided that County remains solely responsible for the final selection.

- 2.5.1.2. *Oversight of County Housestaff Selection Process.* University shall oversee the process for selection of County Housestaff to ensure that candidates are academically qualified and that the process meets ACGME requirements and other applicable academic and accreditation standards. University shall monitor compliance with the selection process. County hiring decisions are within County's sole discretion, pursuant to § 3.4.2.
- 2.5.1.3. *Physician Recruitment.* It is the intent of the Parties that all physicians hired by County to practice in any Primary County Facility shall be qualified for Faculty status. University upon request shall review the academic qualifications of each such physician, concurrent with County's civil service hiring process. University shall use reasonable efforts to confirm a physician's eligibility for Faculty status by such time as County's hiring process is concluded. All County hiring decisions are within County's sole discretion. University shall consider applications for faculty appointment of physicians hired by County to practice in any Primary County Facilities, including upon request non-hospital Primary County Facilities, provided such physicians meet, at minimum, University's criteria for faculty appointments. University shall be under no obligation to provide faculty appointments to such physicians. This § 2.5.1.3 shall not apply to the recruitment or hiring of County Housestaff.
- 2.5.1.4. *Discipline by University.* University shall be solely responsible for the discipline of all University Personnel who are not also County Personnel and may independently discipline any University Personnel in conjunction with their University employment. University shall cooperate with County with respect to the discipline of County Personnel performing services under this Agreement. University shall investigate any County complaints against University Personnel to determine the necessity for appropriate action. If the nature of the complaint provides reasonable grounds to believe that the safety of any person or property in Primary County Facilities may be at risk, then University shall promptly reassign or exclude such University Personnel from Primary County Facilities pending resolution of the complaint.
- 2.5.1.5. *Academic Discipline.* University shall establish and implement a process for academic discipline of Faculty, Housestaff and Medical Students. This shall not include

implementing employment actions against County Personnel. University shall not provide County with legal advice on any given matter, but shall provide general recommendations based upon ACGME and LCME standards.

2.5.1.6. *Coordination of Discipline.* To the extent permitted by law or University policy, University shall inform Chief Executive Officer, or as appropriate, associate Chief Executive Officer of a non-hospital Primary County Facility, promptly of any adverse actions known to University against University Personnel serving in Primary County Facilities with respect to employment status, medical staff status, academic appointment or exclusion from participation in any federal health program, which might affect the individual's right or ability to participate in County or University Training Programs or to provide patient care in any Primary County Facility. University shall coordinate with County respecting such adverse actions.

2.5.1.7. *Access to Records.* To the extent permitted by law, County and University shall have reasonable and timely access to the medical records, charts, applicable Medical Staff minutes and quality assurance data of the other Party relating to any claim or investigation related to services provided pursuant to this Agreement; provided that nothing shall require either County or University to disclose any peer review documents, records or communications that are privileged under Section 1157 of the California Evidence Code, under the Attorney-Client Privilege or under the Attorney Work-Product Privilege.

2.5.2. University Housestaff and Medical Students.

2.5.2.1. *General Responsibilities.* University shall be solely responsible for supervising the academic programs of, and for selecting and educating, any University Housestaff, Medical Students, or other University trainees rotating through Primary County Facilities. The number and assigned rotation of such trainees shall be subject to the approval of Chief Executive Officer. University shall notify Chief Executive Officer and Medical Director of changes to established academic schedules that could affect the volume or quality of patient care provided at Primary County Facilities. University shall use reasonable efforts to comply with the terms of County's collective bargaining agreements

with and pertaining to County Housestaff, to the extent that County has notified University of the provisions in these agreements. University shall coordinate the scheduling of University Housestaff and Medical Students for rotations through Primary County Facilities, in consultation with Chief Executive Officer.

2.5.2.2. *Salaries and Benefits.* County shall reimburse University for University's cost for the salaries, fringe benefits and workers compensation for any University Housestaff on a full-time equivalent basis for the period that such University Housestaff are assigned to Primary County Facilities, to the extent authorized under Addendum A. For purposes of this § 2.5.2.2, fringe benefits are those provided under applicable University employee and Housestaff plans, vacation accrued but not including liability insurance or self-insurance, provision of which is addressed in §§ 2.9 and 3.7.

2.5.3. Faculty Evaluations. University shall evaluate the academic performance of Faculty in meeting faculty responsibilities (differentiated by type and status of faculty appointment) as set forth in those University manuals attached at Exhibit 4.

2.6. Training Programs.

2.6.1. Accreditation of County and University Training Programs. University, with cooperation of County, shall maintain accreditation of all University Training Programs. University shall cooperate with County's activities in maintaining the accreditation of all County Training Programs. University shall notify County of any matters that, to University's knowledge, may compromise such accreditation. University shall maintain accreditation of its School of Medicine pursuant to the standards of the LCME and shall maintain accreditation of all Training Programs by the ACGME and appropriate specialty boards. In the event that any County Training Program receives a probationary accreditation status from ACGME, University shall provide County with all material information regarding the deficiencies cited by ACGME; University's workplan for ending probationary accreditation status; and regular reports on University's progress toward this end. Loss of accreditation may constitute an Event of Immediate Termination or Immediate Partial Termination, as more specifically set forth in §§ 7.3.4 and 7.3.5. The obligations set forth in this § 2.6.1 shall be subject to the terms of § 3.3.4.

2.6.2. Operation of University Training Programs. Training of any University Housestaff and Medical Students at Primary County Facilities shall be accomplished in accordance with University procedures, in compliance

with County's policies and regulations identified in Exhibit 3. To the extent authorized by County, Faculty may teach other health professional students of University, and medical, dental, pharmacy, psychology, and allied health students and trainees from other institutions rotating through Primary County Facilities.

2.6.3. Academic Supervision of County Training Programs. University shall provide academic supervision and education of Housestaff in County Training Programs as set forth in Addenda A-I and A-II and in accordance with the training and supervision requirements established by ACGME. Academic Chiefs and University shall cooperate in arranging and supervising the rotation of County Housestaff through University facilities when educationally appropriate and desired. Within thirty (30) days of execution of this Agreement and thereafter on an annual basis, University shall provide County with a list identifying, by specific program, all current County Housestaff and all medical facilities through which County Housestaff rotate.

2.6.4. University Personnel and Rotations. University shall maintain a list of all University Personnel rotating through Primary County Facilities, including any medical, dental or allied health professions students. University shall provide the list to Chief Medical Officer and Chief Executive Officer, and as appropriate, associate Chief Executive Officer of a non-hospital Primary County Facility, upon execution of the Agreement, and update it as necessary thereafter. For each Department or non-hospital Primary County Facility, the list shall include the name, location, and assignment of all University Housestaff and Medical Students. University shall promptly notify County of all material changes in University Training Programs, including changes in the number of Medical Students or University Housestaff assigned to or rotating through Primary County Facilities, and changes in the scope, organization or length of such education or training programs. University shall be accountable for the compliance of University Personnel with those lists. University Housestaff rotating through County facilities and programs as part of their graduate medical education shall be subject to all appropriate supervisory and regulatory requirements applicable to County Housestaff participating in such programs, including requirements regarding medical records and quality assurance activities.

2.7. **Research.** University Personnel shall abide by the provisions of the Bylaws with respect to review, approval and conduct of any research to be performed in Primary County Facilities and shall coordinate such research pursuant to § 2.2.1.2. Any such research is subject to the approval of the County Board of Supervisors.

2.8. [THIS SECTION INTENTIONALLY LEFT BLANK.]

2.9. **Insurance Coverage.** Without limiting University's indemnification of County and during the term of this Agreement, University shall provide and maintain at its own expense the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to County and primary to and not contributory with any other insurance maintained by County. Certificate(s) or other evidence of coverage shall be delivered to County prior to commencing services under this Agreement, shall specifically identify this Agreement, and shall contain the express condition that County is to be given written notice by registered mail at least thirty (30) days in advance of any modification or termination of insurance. Failure of University to procure and maintain the required insurance shall constitute an Event of Immediate Termination pursuant to § 7.3 upon which County may immediately terminate or suspend this Agreement.

2.9.1. Liability. The following programs of insurance shall be endorsed naming the County of Los Angeles as an additional insured and shall include:

- A. General Liability insurance written on a commercial general liability form or on a comprehensive general liability form covering the hazards of premises/operations, contractual, independent contractors, advertising, products/completed operations, broad form property damage, and personal injury with a combined single limit of not less than \$1,000,000 per occurrence. If written with an annual aggregate limit, the policy limit should be two (2) times the above required occurrence limit. If written on a claims made form, University shall be required to provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.
- B. Comprehensive Auto Liability insurance endorsed for all owned, non-owned, and hired vehicles with a combined single limit of not less than \$1,000,000 per occurrence.

2.9.2. Workers' Compensation. University shall maintain Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with a \$1,000,000 limit, covering all persons that University is legally required to cover.

2.9.3. Self-Insurance. County will consider a self-insured program or self-insured retention as an alternative to commercial insurance from University upon review and approval of the following:

- A. A formal declaration to be self-insured for the type and amount of coverage indicated. This can be in the form of a resolution of

University's governing body or a certified statement from a University officer. University must notify County immediately of discontinuation or substantial change in the program.

- B. Agreement to provide County at least the same defense of suits and payment of claims as would be provided by first dollar commercial insurance.
- C. Agreement to notify County immediately of any claim, judgment, settlement, award, verdict or change in University's financial condition which would have a significant negative effect on the protection that the self-insurance program provides County.
- D. Name, address and telephone number of University's legal counsel and claims representative, respectively, for the self-insurance program.
- E. Financial statement that gives evidence of University's capability to respond to claims falling within the self-insured retention or self-insured program. Re-submission is required at least annually for the duration of this Agreement or more frequently at County's request. Failure to comply will result in withdrawal of County approval.
- F. The proposed self-insurance program must be approved by County prior to the start of this Agreement.

3. RESPONSIBILITIES OF COUNTY

3.1. Administration and Governance of Primary County Facilities.

3.1.1. General. DHS Director or his or her designee is authorized to administer this Agreement on behalf of County. County is responsible for the governance, administration and operation of Primary County Facilities. Chief Medical Officer shall oversee County Training Programs and coordinate County and University Training Programs throughout Primary County Facilities and monitor program implementation and accountability.

3.1.2. Chief Executive Officer. DHS Director shall appoint a Chief Executive Officer for Hospital. Chief Executive Officer shall be responsible for the day-to-day administration and operation of Hospital, shall be authorized to act on behalf of County in matters relating to the administration and performance of this Agreement, and shall be responsible for Hospital's compliance with the terms of this Agreement.

3.1.3. Medical Director.

- 3.1.3.1. *General.* County, through Chief Medical Officer and Chief Executive Officer, shall select a Medical Director who shall be responsible for administering clinical services, under the general supervision of Chief Executive Officer. It is the intent of the Parties that a single individual shall serve as Medical Director and Academic Administrator Chief Executive Officer.
- 3.1.3.2. *Selection Process.* Chief Medical Officer shall designate the Medical Director. In the event of a vacancy, County and University shall participate jointly in recruiting, evaluating and selecting a candidate to fill the position of Medical Director. The selection of Medical Director shall take into account County's goal of promoting diversity by actively recruiting and striving to achieve a level of participation of women and ethnic minorities in the work force commensurate with their availability in the relevant labor market and by promoting a work force that is culturally competent and qualified to provide effective service delivery to the community.
- 3.1.3.3. *Assignment.* County shall be solely responsible for the final selection of Medical Director in accordance with any County personnel policies, as applicable, and the Bylaws. Faculty appointment of this physician shall follow standard University appointment procedures. Qualification by University for appointment as Academic Administrator is a preferred qualification for Medical Director.
- 3.1.3.4. *Reassignment.* Loss by Medical Director of Academic Administrator standing shall trigger a review by County, which in its sole discretion shall determine whether to reassign the individual from his or her duties as Medical Director.
- 3.1.3.5. *Duties.* Subject to the authority of Chief Medical Officer, Medical Director's responsibilities shall include the following:
 - 3.1.3.5.1. *Patient Care Policies.* Assistance in developing, and in informing University Personnel of, applicable patient care policies and initiating appropriate action to correct noncompliance.
 - 3.1.3.5.2. *Clinical Management and Supervision.* Clinical direction and oversight of medical management

of all physician services rendered at Primary County Facilities.

3.1.3.5.3. Quality Improvement. Oversight of quality improvement activities as set forth in the Bylaws and the Hospital's quality improvement committee. Medical Director shall be responsible to Chief Medical Officer for Medical Staff quality improvement activities.

3.1.3.5.4. Bylaws. Periodic review of the Bylaws, initiation of any amendments necessary to bring them into conformity with current professional standards or this Agreement and monitoring physician compliance with the Bylaws.

3.1.3.5.5. JCAHO Accreditation. Monitoring of physician compliance with JCAHO standards.

3.1.3.5.6. ACGME Accreditation. Monitoring and facilitation of institutional compliance with ACGME standards and requirements with respect to County Training Programs.

3.1.3.6. *Associate Medical Directors for Non-Hospital Primary County Facilities.* For the appointment of an associate medical director for any non-hospital Primary County Facility operated by DHS, except as otherwise agreed, County shall follow the same selection, assignment and reassignment procedures, as applicable, as used for Medical Director. The duties of an associate medical director at a non-hospital Primary County Facility shall be the same, as applicable, as for Medical Director unless otherwise determined by Chief Executive Officer in consultation with Medical Director.

3.1.3.7. *Performance Evaluation.* County shall be solely responsible for performance evaluations of Medical Director; provided that at such times as may be requested by Chief Executive Officer, University Representative shall participate in such evaluations.

3.1.4. Medical Staff. County, through Chief Medical Officer or his or her designee, shall organize the Medical Staff in accordance with JCAHO and State medical staff requirements. Members of the Medical Staff shall be responsible for all clinical activities authorized under the Bylaws, subject to the authority of County's Board of Supervisors.

3.1.5. Clinical Chiefs.

- 3.1.5.1. *General.* County shall assign a Clinical Chief to head each Department at Hospital. It is the intent of the Parties that a single individual shall serve as Clinical Chief and Academic Chief for each Department.
- 3.1.5.2. *Selection.* Medical Director shall select each Clinical Chief. In the event of a vacancy, County and University shall participate jointly in recruiting, evaluating and selecting candidates to fill a position as Clinical Chief. County shall cooperate with University in recruiting, evaluating and selecting Academic Chiefs. The selection of Clinical Chief shall take into account County's goal of promoting diversity by actively recruiting and striving to achieve a level of participation of women and ethnic minorities in the work force commensurate with their availability in the relevant labor market and by promoting a work force that is culturally competent and qualified to provide effective service delivery to the community.
- 3.1.5.3. *Assignment.* County shall be solely responsible for the final selection of each Clinical Chief, whose selection or reassignment from his or her duties as a Clinical Chief shall be in accordance with applicable County civil service and personnel policies and provisions of the Bylaws. Faculty appointment of these physicians shall follow standard University appointment procedures.
- 3.1.5.4. *Reassignment.* Loss by a Clinical Chief of Academic Chief standing shall trigger a review by County, which in its sole discretion shall determine whether to reassign the individual from his or her duties as Clinical Chief, in accordance with the applicable provisions of the Bylaws.
- 3.1.5.5. *Duties.* Subject to the authority of Medical Director and Chief Medical Officer, Clinical Chiefs shall have the following responsibilities.
- 3.1.5.5.1. *Professional Direction.* Clinical direction and supervision of medical management of all physician services rendered in their respective Departments.
- 3.1.5.5.2. *Department Management.* Administration and management of their respective Departments.

3.1.5.6. *Performance Evaluation.* County shall be solely responsible for performance evaluations of each Clinical Chief; provided that, at such times as may be requested by Chief Executive Officer, University Representative shall participate in such evaluations.

3.2. **Program Planning.** County shall participate in joint planning and operations through the System JPO and Facility JPO Committees, as set forth in § 8.

3.3. **Operations of Primary County Facilities.**

3.3.1. General. County is responsible for operations and facilities at Primary County Facilities, including the provision of qualified personnel (other than University Personnel) in adequate numbers, and of sufficient supplies, equipment, support and facilities. County shall provide these resources at levels sufficient to maintain a high quality teaching environment in compliance with accreditation standards of JCAHO, ACGME and other accrediting and regulatory bodies and in conformity with all applicable state and federal laws, rules, regulations and standards.

3.3.2. Security. County shall maintain appropriate security measures to protect University Personnel in Primary County Facilities, including parking facilities, on-call quarters and grounds.

3.3.3. Medical Records. County Personnel shall cooperate in the timely completion and maintenance of a complete medical record for each patient encountered at Primary County Facilities. County shall maintain a medical records department sufficient to: (i) meet the requirements of applicable laws, regulations and accreditation requirements; (ii) support patient care, the education of Housestaff and Medical Students, and quality-assurance/performance activities; and (iii) provide a resource for scholarly activity in compliance with the rules and regulations governing approved medical research. County shall retain medical records for the required time period, and make charts available to University Personnel in a timely manner as necessary for scheduled clinic visits, Hospital admissions, mortality and morbidity reviews, and preparation of responses to citations, reimbursements, appeals, billing, and other claims brought by third parties, and approved medical research.

3.3.4. Training Program Support. County shall maintain adequate staff (other than University Personnel) and facilities, as appropriate, to meet the educational and supervisory objectives of County and University Training Programs in a manner consistent with the standards established by LCME and ACGME. In the event that any individual academic program may be precluded from meeting LCME and ACGME standards by County's failure to provide adequate staff and facilities, or County's reduction in the volume of Purchased Services pursuant to § 5.4, University shall bring this to the

attention of the Facility JPO Committee. The Facility JPO Committee shall consider the matter and provide recommendations pursuant to § 8.2. Until such time as County restores staff and facilities, or volume of Purchased Services, to adequate levels to meet LCME and ACGME standards, University shall be relieved of its obligation to maintain and meet the accreditation standards as provided in § 2.6 and the performance standards set forth in Addendum B and elsewhere in this Agreement with respect to the deficient County Training Program. Such relief of University obligations shall not, however, relieve County of its obligation to provide Training Program support under this Agreement. In the event that County fails to provide adequate staff and facilities as required under this § 3.3.4, University may, at its option, deem the failure an Event of Termination for Cause pursuant to § 7.4.

3.3.5. Knowledge of and Compliance with County Policies. County shall include University Personnel, as may be applicable, in training sessions regarding County policies and University shall cooperate with County in instructing University Personnel regarding County's policies.

3.3.6. Patient Complaints. County shall make a good faith effort to address patient complaints, to bring those matters relating to University Personnel to the attention of University, and to cooperate with University in addressing any such complaints.

3.4. Personnel Responsibilities.

3.4.1. General. County shall be responsible for hiring, scheduling, promoting, compensating, disciplining (other than academic discipline) and terminating County Personnel. County shall use its best efforts to ensure that the job description for each physician to be hired by County to practice in Primary County Facilities shall correspond to University's criteria for faculty appointments. County shall consult with University concerning reassignment of Faculty to those Primary County Facilities in which their clinical services are most needed.

3.4.2. Employment of County Housestaff. County shall be solely responsible for the selection and employment of County Housestaff from the list of academically qualified candidates developed by University, pursuant to the process described in § 2.5.1.2.

3.4.3. [THIS SECTION INTENTIONALLY LEFT BLANK.]

3.4.4. [THIS SECTION INTENTIONALLY LEFT BLANK.]

3.4.5. Coordination of Discipline of University Personnel. To the extent permitted by law and County policy, County shall promptly inform University of any adverse actions by County against University Personnel with respect to

County employment status or medical staff status, which might affect the individual's right or ability to participate in a University Training Program or provide patient care in any Primary County Facility. County shall coordinate and work with University to address such matters.

3.4.6. Discipline of County Personnel. County shall be responsible for the discipline of County Personnel, including County Housestaff, other than academic discipline as set forth in § 2.5.1.5. County shall seek the cooperation of University in any disciplinary matter in which County Personnel perform services under this Agreement and shall investigate any University complaints regarding County Personnel to determine the necessity for appropriate action. If a complaint provides reasonable grounds to believe that the safety of any person in Primary County Facilities may be at risk, then, consistent with established County civil service rules, County procedures and the Bylaws, County shall exclude or temporarily reassign such County Personnel from Primary County Facilities, pending resolution of the complaint. This provision does not preclude University from taking disciplinary action in accordance with § 2.5.1.5.

3.4.7. Scheduling. County shall implement clinical duty schedules for County and University Housestaff, consistent with University's educational goals and objectives. Duty hours and on-call schedules shall focus on the needs of the patient, continuity of care, and the educational needs of Housestaff. Duty hours shall be consistent with the institutional and ACGME program requirements applicable to the respective Training Program. Housestaff's learning objectives shall not be compromised by excessive reliance on Housestaff to fulfill institutional service obligations, and Housestaff shall be provided appropriate backup support when patient care responsibilities are unusually difficult or prolonged.

3.4.8. Health and Safety of Housestaff and Medical Students. County shall protect the health and safety of Housestaff and Medical Students on rotation at Primary County Facilities by providing each Housestaff / Medical Student with the following:

3.4.8.1. *County Security Information.* Orientation of the type and scope provided by County to its new employees, including information about County's security measures, fire safety and disaster protocols, and any additional recommended personnel safety and security precautions.

3.4.8.2. *Infection Control Procedures.* Instruction in County's policies and procedures for infection control, including the handling and disposal of needles and other sharp objects, and in County's protocols for on-the-job injuries, including

those resulting from needlestick injuries and other exposures to blood or body fluids or airborne contaminants.

3.4.8.3. *Emergency Treatment.* First aid and other emergency treatment on-site, including immediate evaluation for risk of infection and appropriate follow-up care of Housestaff / Medical Students in the event of a needlestick injury or other exposure of Housestaff / Medical Students to blood or body fluids or airborne contaminants. In the case of suspected or confirmed exposure to the human immunodeficiency virus (HIV) or hepatitis, such follow-up care shall be consistent with County policies, the current guidelines of the Centers for Disease Control and Prevention ("CDC") and the community's standard of care. Information regarding the CDC guidelines may be obtained by calling the CDC directly. The initial care and administration of testing and prophylactic therapy shall be provided by County. Subsequent care of Housestaff / Medical Students shall be paid pursuant to the mutual agreement of the Parties.

3.4.8.4. *Facilities.* Information concerning provision of parking, meals, lockers, and appropriate access to on-call rooms, restrooms, lounge and shower facilities, as applicable.

3.5. **Real and Personal Property.** Unless prohibited by Chief Executive Officer, University shall be permitted to use such real and personal property of County as necessary in fulfilling its obligations hereunder.

3.6. **Training and Teaching Programs.**

3.6.1. Accreditation of County and University Training Programs. County shall cooperate with University to maintain accreditation of any County Training Program with which University is involved pursuant to this Agreement. County shall cooperate with University's activities in maintaining accreditation of any University Training Program implemented, in whole or in part, in Primary County Facilities and shall notify University of any matters to its knowledge that may compromise such accreditation.

3.6.2. County Housestaff in University Programs. County Housestaff rotating through University facilities and programs as part of their graduate medical education shall be subject to all appropriate supervisory and regulatory requirements applicable to University Housestaff participating in such programs, including requirements regarding medical records and quality assurance activities.

3.6.3. Consolidation and Coordination of County Training Programs and Coordination of University Training Programs. Chief Medical Officer shall

consult with each Primary County Facility and University through the System JPO and Facility JPO Committees to identify strengths and weaknesses and determine whether coordination and consolidation of County Training Programs and coordination with University Training Programs should occur. In the event that any County Training Programs are consolidated, County agrees that current residents and newly accepted residents shall be permitted to complete their respective residency Training Programs consistent with ACGME requirements. Any such consolidation shall be noticed and phased in to permit the proper reallocation of resources. Any decisions regarding consolidation of County Training Programs will be based in part on the general objective of fair and equitable distribution among the universities with which County has medical school affiliations, and County will take into account the impact that such consolidation will have on University's educational mission.

- 3.6.4. Medical Student Rotations. County shall give University's Medical Students priority in their rotations through Primary County Facilities over students from other universities. County shall notify University of any Medical Students from other universities rotating through Primary County Facilities, and the GMEC shall monitor such rotations.

- 3.7. **Insurance Coverage.** Without limiting County's indemnification of University and during the term of this Agreement, County shall provide and maintain at its own expense the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to University and primary to and not contributory with any other insurance maintained by University. Certificate(s) or other evidence of coverage shall be delivered to University prior to commencing services under this Agreement, shall specifically identify this Agreement, and shall contain the express condition that University is to be given written notice by registered mail at least thirty (30) days in advance of any modification or termination of insurance. Failure of County to procure and maintain the required insurance shall constitute an Event of Immediate Termination pursuant to § 7.3 upon which University may immediately terminate or suspend this Agreement.

- 3.7.1. Liability. The following programs of insurance shall be endorsed naming the University as an additional insured and shall include:

- A. General Liability insurance written on a commercial general liability form or on a comprehensive general liability form covering the hazards of premises/operations, contractual, independent contractors, advertising, products/completed operations, broad form property damage, and personal injury with a combined single limit of not less than \$1,000,000 per occurrence. If written with an annual aggregate limit, the policy limit should be two (2) times the above required occurrence limit. If written on a claims made form, County shall be required to provide an extended two year reporting

period commencing upon termination or cancellation of this Agreement.

- B. Comprehensive Auto Liability insurance endorsed for all owned, non-owned, and hired vehicles with a combined single limit of not less than \$1,000,000 per occurrence.
- C. Hospital and Professional liability insurance covering liability from any error, omission or negligent act of County, its officers, employees or agents with a limit of liability of at least \$1,000,000 per claim.

3.7.2. Workers' Compensation. County shall maintain Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with a \$1,000,000 limit, covering all persons that County is legally required to cover.

3.7.3. Self-Insurance. University will consider a self-insured program or self-insured retention as an alternative to commercial insurance upon review and approval of the following:

- A. A formal declaration to be self-insured for the type and amount of coverage indicated. This can be in the form of a resolution of County's governing body or a certified statement from a County officer. County must notify University immediately of discontinuation or substantial change in the program.
- B. Agreement to provide University at least the same defense of suits and payment of claims as would be provided by first dollar commercial insurance.
- C. Agreement to notify University immediately of any claim, judgment, settlement, award, verdict or change in County's financial condition which would have a significant negative effect on the protection that the self-insurance program provides University.
- D. Name, address and telephone number of County's legal counsel and claims representative, respectively, for the self-insurance program.
- E. Financial statement that gives evidence of County's capability to respond to claims falling within the self-insured retention or self-insured program. Re-submission is required at least annually for the duration of this Agreement or more frequently at University's request. Failure to comply will result in withdrawal of University approval.

The proposed self-insurance program must be approved by University prior to the start of this Agreement.

4. JOINT RESPONSIBILITIES

- 4.1. Compliance and Cooperation.** Parties shall work cooperatively in seeking to accomplish the purposes of this Agreement. County and University agree to work together to the extent feasible to balance University's academic mission and program needs with County's mission and goals, including excellence in clinical care, accessibility of care, and the efficient utilization of resources. Academic Administrator shall play a pivotal role in these efforts. University and County jointly shall train Faculty and Housestaff in applicable Medicare and Medi-Cal billing guidelines with respect to physician services. The Parties shall meet no less than annually to review Faculty compensation and University Faculty recruitment actions. The University shall develop and County and University shall jointly approve written criteria for the award of Faculty stipends. These written criteria shall be developed within sixty (60) days of execution of this Agreement and fully implemented within sixty (60) days of development.
- 4.2. Annual Addenda.** The Parties shall consider the annual recommendations of the Chief Executive Officer and the Facility JPO Committee (see § 8.2.2) regarding the need to amend the Addenda, and shall reach consensus on any amendments at least sixteen (16) months before the applicable Contract Year (e.g., by March 1, 2007 for amendments effective in the Contract Year beginning July 1, 2008). Unless otherwise agreed, amendments to the Addenda shall take effect on the first day of the Contract Year beginning no less than sixteen (16) months after their adoption. If Parties fail to reach such consensus on an Addendum, then the terms and conditions of the Addendum in effect immediately preceding the Contract Year in question shall remain in effect; except as otherwise provided in § 5.4. In no event shall compensation provisions be revised more frequently than every twelve (12) months.
- 4.3. Third Party Revenue.** Each Party shall require personnel under its supervision to work cooperatively to enable County to recover all available and appropriate third party reimbursement. University shall ensure that University Personnel, in their provision of Purchased Services, comply with the requirements of the County's compliance plan, once developed.
- 4.4. Avoidance of Detrimental Activities.** Consistent with the need to maintain high quality clinical care and academic Training Programs, Parties shall seek to avoid activities that unnecessarily increase the costs or decrease third party reimbursement for services provided at Primary County Facilities. County shall use its best efforts to avoid cost reduction activities that harm Training Programs. Although University and County shall cooperate to resolve any conflicts that may arise between clinical and academic programs, County retains the sole right and

responsibility to allocate its clinical resources as County deems appropriate, subject to County's obligations pursuant to § 3.3.4.

- 4.5. Risk Management and Quality Improvement.** To the extent permitted by law, Parties shall exchange information for risk management purposes, including incident reports, necessary to the defense of actions brought against County and University. As necessary in exchanging such information, Parties shall provide for protection of privileged information through joint confidentiality agreements for defense.
- 4.6. Clinical Pathways and Practice Guidelines.** University shall cooperate in County's development and implementation of clinical pathways in coordination with County's Clinical Resource Management process.
- 4.7. Housestaff Qualification Levels.**
 - 4.7.1. General.** County shall establish a system-wide process for assigning Housestaff qualification levels to Housestaff in County Training Programs. University shall cooperate in County's development of qualification levels to ensure consistency with academic content of County Training Programs.
 - 4.7.2. Housestaff Performance.** At such time as County implements Housestaff qualification levels for specific procedures, each Clinical Chief shall be responsible for the ability of his or her Department's Housestaff to perform at the appropriate level.
 - 4.7.3. Implementation of Housestaff Qualification Levels.** The Medical Staff shall be responsible for directly supervising any activity or procedure performed by Housestaff, as appropriate.

5. PURCHASED SERVICES

- 5.1. General.** University shall provide Purchased Services to County at Primary County Facilities as set forth in Addenda A-I and A-II and elsewhere in this Agreement. The provision of Purchased Services is intended to maintain and improve: (i) the academic environment of Primary County Facilities, and (ii) the quality of the educational programs operated at those facilities.
- 5.2. Provision of Academic Services.** Purchased Services shall be provided by University through Academic Administrator, associate academic administrators at non-hospital Primary County Facilities, Academic Chiefs and Faculty, and shall consist of academic supervision and teaching of County Housestaff as set forth in Addendum A and elsewhere in this Agreement. University shall provide academic services to County at a level sufficient to address the following goals:

- A. Continued accreditation of County Training Programs at Primary County Facilities by ACGME and other national accreditation bodies, as applicable;
- B. Exemplary performance by County Housestaff on in-service clinical competency examinations and national post-residency certification examinations;
- C. Academic accomplishment and achievement by the Faculty sufficient to maintain the high quality of the academic programs at Primary County Facilities; and
- D. The maintenance of a high quality teaching environment in which the educational needs of Housestaff are of paramount importance.

5.3. Management Services. University shall provide academic services and academic oversight at Primary County Facilities.

5.4. County Reductions in Volume of Purchased Services. Nothing in this Agreement shall restrict the right of County to reduce the volume of Purchased Services and to revise Addendum A implementing such a reduction, provided that County shall notify University of such reduction by no later than February 15 prior to the Contract Year in which the reduction is to take effect. University may accept such reduction; or University may in its discretion deem the reduction an Event of Termination for Cause or an Event of Partial Termination for Cause, pursuant to § 7.4. In the event that County so reduces Housestaff in University Training Programs, County shall seek to permit current and newly accepted University Housestaff in such programs to complete their respective Training Programs consistent with ACGME requirements; provided that County shall first seek to fulfill its obligations to County Housestaff.

6. PAYMENT FOR PURCHASED SERVICES

6.1. Payment to University for Purchased Services.

For each Contract Year, County shall compensate University in advance, on the first day of each calendar quarter for the provision of Purchased Services at the rates set forth in Addendum A. In no event shall the compensation provisions be revised more frequently than every twelve (12) months. County shall also remit to University the amount of \$25,000 as the County's annual contribution to the Faculty Teaching Incentive Fund, as set forth in Addendum A.

6.2. Volume of Services. Purchased Services shall be provided and compensated at such levels as more specifically identified in Addendum A for the respective Contract Year. In preparation for developing Addendum A, each year University shall provide County with a proposed budget for the upcoming Contract Year by

April 30. Additionally, within two months of the close of each Contract Year, University shall provide County with University's cost distribution by department for the prior Contract Year.

- 6.3. Productivity and Performance Measures.** Parties shall develop and monitor productivity and performance measures, as more specifically provided in Addendum B.

7. TERM AND TERMINATION

- 7.1. Term.** The effective date of this Agreement shall be the first day of _____, 2006. This Agreement will remain in full force and effect for a term of five (5) full Contract Years unless otherwise terminated as provided below. At the end of each Contract Year, the term shall be automatically extended for an additional year, unless either Party serves notice of non-renewal ninety (90) days prior to the end of the current Contract Year, in which case the Agreement shall expire four (4) years from the end of the current Contract Year.
- 7.2. Preservation of Other Remedies.** Failure of the non-breaching Party to elect termination under this § 7 shall not constitute a waiver of any other remedies.
- 7.3. Immediate Termination.** The following shall constitute Events of Immediate Termination, and the non-breaching Party may terminate this Agreement immediately upon providing written notice of breach and immediate termination, or upon such other date as provided in the notice.
- 7.3.1. Regulatory.** Except as otherwise provided in § 7.3.4 or § 7.3.5, loss by either Party of any essential accreditation, including but not limited to, Medi-Cal, Medicare or other Centers for Medicare and Medicaid Services ("CMS") accreditation, or any license or permit required by law for the provision of services under this Agreement, which substantially affects the defaulting Party's ability to perform its obligations under this Agreement. Loss of accreditation by any Department or Training Program shall not automatically be deemed essential for purposes of this § 7.3.1. Notice of breach and immediate termination shall also be provided to the Facility JPO, which shall have thirty (30) days before termination takes effect to review the notice of breach and make recommendations to the Parties regarding alternatives.
- 7.3.2. Destruction/Closure of Premises.** Whole or partial destruction during the term of this Agreement of Hospital by casualty, if the Parties agree that it is thereby rendered unsuitable for the provision of Purchased Services as contemplated and other suitable facilities are not reasonably available or closure of Hospital by the County.

- 7.3.3. Improper Consideration. The proffer or provision of consideration in any form by University, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to University's performance pursuant to this Agreement. Such improper consideration, among other items, may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts. University shall report any attempt by a County officer or employee to solicit improper consideration for such purposes immediately upon becoming aware of any such attempt. The report shall be made either to County's manager charged with the supervision of the employee or County's Auditor-Controller's Employee Fraud Hotline (currently 213/974-0914 or 800/544-6861).
- 7.3.4. Loss of LCME or ACGME Accreditation. University's loss of LCME accreditation, or loss of ACGME accreditation (without recovery) by two (2) or more County Training Programs, shall constitute a breach by University and an Event of Immediate Termination; unless such ACGME accreditation was lost (i) primarily due to County's failure to fulfill its obligations pursuant to §3.3.4, (ii) due to County's collective bargaining agreements with County Housestaff, or (iii) without fault on the part of University. If at any time two (2) or more County Training Programs have lost ACGME accreditation (without recovering it), then County may limit termination to one or more of the discredited County Training Programs in lieu of termination of the entire Agreement, pursuant to § 7.3.5, "Immediate Partial Termination."
- 7.3.5. Immediate Partial Termination. If a breach of this Agreement by University that results in an Event of Immediate Termination is limited to individual Departments or County Training Programs, then County may terminate this Agreement with respect to any such Department or County Training Program in lieu of termination of the entire Agreement. Loss of ACGME accreditation by any County Training Program shall constitute an Event of Immediate Partial Termination; subject to the provisions of § 7.3.4. Upon notice by County, responsibilities under this Agreement will be terminated with respect to such discredited County Training Program (or Programs), and payments to University shall be reduced in a pro rata amount to reflect the program's (or programs') elimination. Parties recognize that adequate support of the remaining County Training Programs may require the retention of certain Faculty members from a County Training Program that is subject to Partial Immediate Termination. This § 7.3.5 shall not apply if such accreditation was lost (i) primarily due to County's failure to fulfill its obligations pursuant to § 3.3.4, or (ii) due to County's collective bargaining agreements with County Housestaff.

7.3.6. Other Events. Violation of University's obligations under § 2.9 (insurance coverage), § 11.4.5 (nondiscrimination in employment), § 11.12 (subcontracting); § 11.18 (County lobbyists), § 11.25 (interruption of service); or violation of County's obligations under § 3.7 (insurance).

7.4. Termination for Cause. The events set forth under this § 7.4 shall constitute Events of Termination for Cause. Upon an Event of Termination for Cause, the non-defaulting Party may terminate this Agreement by serving written notice of termination, to be effective as of the end of the next Contract Year which terminates no less than fifteen (15) months after such notice is given, regardless of any notice to or deliberations by the Facility JPO Committee. Such notice shall also be provided to the Facility JPO Committee, which shall have thirty (30) days to review the notice and make recommendations to the Parties regarding alternatives other than termination. Such recommendations from the Facility JPO Committee shall be non-binding. Provided the Facility JPO Committee has considered the dispute and has either provided recommendations to Parties or failed to do so within thirty (30) days following submission of the dispute to the Facility JPO Committee (or such other period as agreed by Parties), the following shall constitute Events of Termination for Cause under this Agreement:

7.4.1. Material Breach. Except as otherwise provided in this Agreement, any material breach not remedied within ninety (90) days after receipt of notice of the breach, including any event that becomes an Event of Termination for Cause pursuant to §§ 3.3.4 (training program support); § 4.1 (compliance and cooperation), § 5.4 (reductions in volume of Purchased Services), § 9.3.6 (records and audits); § 11.4.5 (nondiscrimination in employment); § 11.6 (performance during disaster or unrest); § 11.10.2 (payment of contingent fees), § 11.19 (child support certification); or § 11.21 (severability). If the Party in breach has undertaken diligent good faith efforts to remedy the breach within forty-five (45) days after receipt of notice, then the period for remedy shall be extended upon mutual agreement of the Parties.

7.4.2. Partial Termination for Cause. If a material breach of this Agreement is limited to a single Department or County Training Program, then the non-breaching Party may deem such breach an Event of Partial Termination for Cause and terminate this Agreement with respect to such Department or County Training Program in lieu of termination of the entire Agreement. Payments under this Agreement shall be reduced in a pro rata amount to reflect the elimination of the Department or County Training Program from this Agreement. This § 7.4.2 shall not apply if the primary cause of University's breach is (i) County's failure to fulfill its obligations pursuant to § 3.3.4 or (ii) County's collective bargaining agreements with County Housestaff.

7.5. Effects of Termination, Continuing Responsibilities of the Parties. County shall pay University for services rendered up to the effective date of any

termination, subject to the terms of this Agreement. Upon termination, Parties shall have no further obligations under this Agreement except as follows:

- 7.5.1. Cooperation. In the event either Party terminates this Agreement, whether or not for cause, Parties shall jointly develop and implement a plan for disaffiliation that provides for the continuation of quality patient care and medical education programs and recognizes the limits of available resources.
- 7.5.2. Survival. The following provisions of this Agreement shall survive its termination and expiration: § 10 (indemnification), §§ 2.9 and 3.7 (insurance), § 2.1.2.4 (indemnification for exclusion from federal health care programs), § 2.5.1.7 (access to records), § 4.5 (risk management), this § 7.5 (continuing responsibilities), § 9.3 (records and audits), § 11.2 (confidentiality), § 11.12.2 (indemnification for subcontracting), § 11.13 (indemnification for compliance with applicable law), § 11.15 (indemnification for fair labor standards), § 11.16 (indemnification for employment eligibility verification), and § 11.22 (investigations).

8. JOINT PLANNING AND OPERATIONS COMMITTEES

- 8.1. **General.** To facilitate coordinated planning, monitor performance and provide joint recommendations regarding any disputes under this Agreement, Parties shall establish two (2) advisory committees: a system-wide Joint Planning and Operations Committee ("System JPO Committee") and a Facility Joint Planning and Operations Committee ("Facility JPO Committee").
 - 8.1.1. Composition of System JPO Committee. System JPO Committee members shall include Chief Medical Officer, who shall chair all meetings; DHS's Director of Operations; University Representative, an additional University designee, and the representatives designated by each of County's other two affiliated universities pursuant to their respective affiliation agreements; Medical Director and Chief Executive Officer of each County hospital subject to such other affiliation agreements. System JPO Committee shall be staffed by the Office of the Chief Medical Officer; County Counsel; counsel for University; counsel for each of the other affiliated universities; or such other staff as designated by the System JPO Committee. Initial appointments shall be made within thirty (30) days following execution of this Agreement. Additional members or staff may be appointed as determined by the System JPO Committee.
 - 8.1.2. Composition of Facility JPO Committee. The Facility JPO Committee members shall include Medical Director, University Representative, Chief Executive Officer, one member designated by University Representative, and one member designated by Medical Director in consultation with the

Chief Executive Officer. Medical Director shall chair all meetings. Initial appointments shall be made within thirty (30) days following execution of this Agreement. Additional members on staff may be appointed as determined by Facility JPO Committee.

8.1.3. Meetings. The Facility JPO Committee and the System JPO Committee shall meet as needed, but at least quarterly.

8.1.4. Protocol. The Facility JPO Committee shall address issues relating to the Primary County Facilities and to the performance of this Agreement. The System JPO Committee shall address matters of joint concern among any of the County's affiliated universities, facilitate communication and permit deliberation on issues relevant to the affiliations. Parties anticipate that most committee decisions shall be made by consensus. Either Party, or with respect to the System JPO Committee, any other university represented, may propose agenda items. Parties shall fully consider any System JPO or Facility JPO Committee analyses and recommendations before acting on matters of joint concern; provided that Committee recommendations shall be strictly advisory. Parties recognize that each Party retains final control over its own staffing and program decisions.

8.2. Facility JPO Committee Responsibilities. In general, the Facility JPO Committee shall consider issues affecting the performance of this Agreement. It shall present to Parties recommendations whose effect is substantially limited to this Agreement or to Primary County Facilities. It shall present to the System JPO Committee any recommendations more broadly affecting County's other university affiliations or County facilities subject to those affiliations.

8.2.1. Issues. The Facility JPO Committee shall consider issues as set forth below and shall present its recommendations to Parties or, as appropriate, to the System JPO Committee. Matters for Facility JPO Committee consideration shall include:

- A. Joint strategic planning addressing the type and volume of Purchased Services, taking into account the health care needs of County's constituencies, the educational goals of University, County's objectives under the Section 1115 Waiver, and the changing health care environment;
- B. Patient service issues;
- C. Quality of County and University Training Programs, Purchased Services, and Primary County Facilities;
- D. Any significant threat to JCAHO accreditation of Primary County Facilities (as related to this Agreement) or ACGME accreditation of County and University Training Programs;

- E. Development of new County Training Programs or significant expansion or curtailment of existing County Training Programs;
- F. Any disputes as to performance under this Agreement, except those Events of Immediate Termination as defined in § 7.3;
- G. Reconciliation of volume of and payment for Purchased Services during a Contract Year, if needed; and
- H. Any matters referred by the System JPO Committee, the GMEC, or either Party.

8.2.2. Addenda. The Facility JPO Committee shall review the Addenda to this Agreement each year and develop recommendations as to any necessary amendments, particularly including the type and volume of Purchased Services, and the performance indicators and standards. The Facility JPO Committee shall present its recommendations for each Contract Year to Parties at least seventeen (17) months prior to that Contract Year (e.g., by February 1, 2007 for the Contract Year beginning on July 1, 2008 for the Parties' consideration, pursuant to § 4.2.

8.2.3. Matters Affecting Staffing, Patient Care or Affiliation Operations.

8.2.3.1. *Notice of Staffing or Other Changes*. With respect to plans of either Party which are likely to substantially affect staffing under this Agreement or that are comprised under the express responsibility of either the System JPO Committee or the Facility JPO Committee pursuant to § 8.3 or § 8.2.1, University Representative, or Chief Executive Officer, or Chief Medical Officer, respectively, shall place the item on the Facility JPO Committee agenda for discussion as soon as reasonably possible upon becoming aware of such plans. To the extent possible, each Party shall seek to ensure that such issues are placed on the Facility JPO Committee agenda at the earlier of (i) eighteen (18) months prior to the beginning of the affected Contract year, or (ii) six (6) months prior to that Party's final decision on the matter. Parties recognize that neither Party can guarantee compliance with these guidelines, including in some instances placing such items on the agenda prior to the Party's final decision.

8.2.3.2. *County*. As soon as reasonably possible, Chief Executive Officer or Chief Medical Officer shall place on the Facility JPO Committee agenda issues relating to patient diversion policy, County destination policy, closure of Hospital units or clinics, or changes in the scope of inpatient or outpatient

services, if the outcome of those issues are likely to significantly affect performance or terms of this Agreement.

To the extent possible, each Party shall seek to ensure that such issues are placed on the Facility JPO Committee agenda at the earlier of (i) eighteen (18) months prior to the beginning of the affected Contract year, or (ii) six (6) months prior to that Party's final decision on the matter. Parties recognize that neither Party can guarantee compliance with these guidelines, including in some instances placing such items on the agenda prior to the Party's final decision.

- 8.2.3.3. *University.* As soon as reasonably possible, University Representative shall place on the Facility JPO Committee agenda any major decisions relating to the scope of its participation at Primary County Facilities, or significant changes in the scope and size of University Training Programs or rotation patterns of University Housestaff through Primary County Facilities. To the extent possible, University shall place such issues on the agenda for discussion at least eighteen (18) months prior to the beginning of the affected Contract Year and six (6) months prior to University's final decision on the matter. Parties recognize that University retains sole authority to make these decisions, subject to the terms of this Agreement. To the extent possible, each Party shall seek to ensure that such issues are placed on the Facility JPO Committee agenda at the earlier of (i) eighteen (18) months prior to the beginning of the affected Contract year, or (ii) six (6) months prior to that Party's final decision on the matter. Parties recognize that neither Party can guarantee compliance with these guidelines, including in some instances placing such items on the agenda prior to the Party's final decision. Nothing in this § 8.2.3 shall modify the obligation of University to provide Purchased Services as negotiated for any Contract Year, provided County pays for Purchased Services in accordance with this Agreement.

- 8.2.4. Graduate Medical Education Committees. County shall establish and maintain a GMEC consistent with applicable ACGME standards at each Hospital. Each GMEC shall meet as frequently as necessary to fully discharge its duties, but no less than quarterly.

- 8.2.4.1. *Membership.* Members of each GMEC shall include the following officials or their designees: University Representative, Academic Administrator and Medical

Director. Additional members shall include those persons necessary to satisfy the requirements set forth by ACGME.

8.2.4.2. *Duties.* Each GMEC shall be responsible for the following with respect to the Training Programs under its purview:

8.2.4.2.1. Policies. Establish and implement policies that affect the quality and work environment of the Housestaff.

8.2.4.2.2. Monitoring and Oversight. Monitor all aspects of residency education at Primary County Facilities and advise Medical Director and Dean with respect to such issues. Establish and maintain oversight with respect to all of the Training Program directors and personnel involved in graduate medical education.

8.2.4.2.3. Program Review. Regular review of all Training Programs to assess their compliance with ACGME standards, the applicable Residency Review Committee standards and the overall quality of the training.

8.2.4.2.4. Institutional Review. Work with County and University Personnel as needed to develop the proper environment for effective training and to review Primary Care Facilities' compliance with ACGME standards for institutions.

8.2.4.2.5. Annual Report. Prepare an annual report to the Facility JPO Committee, with copies to the Dean and Chief Medical Officer. For the Training Programs and facilities under the GMEC's purview, this report shall provide an overview of the status of the Training Programs; overall graduate educational activities; common problems and concerns across the Training Programs; and each Training Program's compliance with ACGME institutional and program requirements; University's role in overseeing these activities under the Agreement; and an analysis of the academic accomplishments of the Faculty

8.2.4.2.6. Housestaff Qualification Levels. Provide input to Medical Director in the preparation of an annual listing of Housestaff Qualification Levels for County Housestaff by academic year of training. This listing shall enumerate for each academic year all those procedures which Housestaff at that level should be competent to perform.

8.3. System JPO Committee Responsibilities. In general, the System JPO Committee shall consider issues broadly affecting County Training Programs under this Agreement or County's other university affiliation agreements. It shall present its recommendations to the Parties. The System JPO Committee shall consider and present recommendations regarding issues, including the following:

- A. Coordination and consolidation, as appropriate, of County Training Programs;
- B. Any significant threat to JCAHO accreditation of Primary County Facilities or ACGME accreditation of County and University Training Programs;
- C. Development of new Training Programs or significant expansion or curtailment of existing Training Programs, to the extent this affects more than one of County's university affiliations;
- D. Significant changes in staffing ratios or in the primary/specialty care mix of County Training Programs;
- E. Issues presented by the Facility JPO Committee or its counterparts under County's other university affiliation agreements; and
- F. Issues referred by Parties.

9. REPORTING AND ACCOUNTABILITY

9.1. General Operations. Each Party shall collect and maintain accurate information on the nature and scope of its operations in Primary County Facilities and provide such information as reasonably requested by the other Party. The Chief Medical Officer shall designate one person, and University shall designate one person in the office of University Representative, to be responsible for providing this information. University shall provide Chief Medical Officer with a copy of any report it files with the County Auditor-Controller.

9.2. Notice of Certain Events.

9.2.1. Legal or Administrative Actions. Subject to the confidentiality requirements of § 11.2, each Party for matters relating to this Agreement shall promptly notify the University Representative or Chief Executive Officer, respectively, of any Medical Staff corrective action, claims, administrative reviews or lawsuits relating to Primary County Facilities and professional liability, and any other corrective actions, claims, administrative reviews or lawsuits relating to either Party's performance of this Agreement that may affect the other Party. The University Representative or Chief Executive Officer, respectively, shall determine whether to conduct a joint investigation and coordinate any remedial action or defense.

9.2.2. Accreditation, Licensure, and Site Visits.

9.2.2.1. *County and University Training Programs.* Each Party shall promptly notify the other of any planned site visit by an entity charged with reviewing or certifying any University Training Program or County Training Program that is likely to materially affect County Training Programs or the provision of Purchased Services. Such Party shall make available to the other the report from such site visits, including any letters citing deficiencies or suggesting corrective action.

9.2.2.2. *Sanctions.* Each Party shall promptly notify the other of any actual or threatened sanction by any licensing or accrediting entity, peer review organization, or any entity charged with reviewing or certifying health care delivery facilities, or educational operations in Primary County Facilities, that are likely to have a substantial effect on performance of this Agreement.

9.3. Records and Audits.

9.3.1. Financial Records. University shall prepare and maintain accurate and complete financial and operational records, in accordance with generally accepted accounting principles, that identify University's use of revenues under this Agreement, attributable to each Department. Such records shall allocate revenues between University employed non-physician staff and Faculty, by Department and by category, on an aggregated basis. University shall maintain accurate and complete records of all services performed hereunder in such form and manner as County may from time to time direct, to satisfy payment requirements of County's various governmental and private third-party payers. University shall maintain records as necessary to County under this Agreement. This § 9.3.1 shall not require University to release

documentation disclosing the amount of salary or benefits paid by University to University Personnel. All records pertaining to this Agreement shall be retained by University for a minimum of five (5) years following the end of County's July 1st through June 30th fiscal year in which service was rendered; provided that, if County notifies University of an ongoing audit, University shall retain all such records until County notifies University that retention is no longer required. During such periods of record retention, and throughout the term of this Agreement, University shall make all such records available upon reasonable notice, at the University during normal business hours, to County and State representatives. University shall indemnify County for revenues that County cannot collect or otherwise loses as a result of University's failure to maintain records as required under this § 9.3.

- 9.3.2. Federal Access to Records. If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act [42 U.S.C. Section 1395x(v)(1)(I)] is applicable, University agrees that for a period of five (5) years following the furnishing of services under this Agreement, University shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contract, books, documents and records of University which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if University carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve-month period with a related organization (as that term is defined under Federal law), University agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor. In the event that such request for access is made by any representative of the Federal government, University shall notify County in writing within five (5) business days of receipt of such request.
- 9.3.3. Audit Reports. In the event that any private third-party payer, Federal or State auditor conducts an audit of University and such audit directly concerns or has a material effect on any of the Purchased Services, University shall file a copy of any final audit report prepared by such auditor with County's Auditor-Controller within thirty (30) days of receipt thereof to the extent permitted under this Agreement, or under applicable State or Federal law or regulations.
- 9.3.4. Audit/Compliance Review. During the term of this Agreement or within five (5) years after Purchased Services are furnished, authorized representatives of County may conduct, or University may undertake through an independent auditor, an audit of the other Party regarding

such Purchased Services. In the event County representatives conduct an audit/compliance review of University, University shall cooperate fully with County's representatives. University shall allow County's representatives reasonable access to all records of services rendered and all financial, medical and other records that directly concern or may have a material effect on services provided by University under this Agreement and will allow photocopies to be made of these documents using University's photocopier, for which County shall reimburse University promptly for its customary charge for record copying services, if requested. Information obtained through an audit/compliance review shall be subject to the confidentiality requirement of § 11.2. County shall provide University with at least ten (10) working days prior written notice of any audit/compliance review.

County may conduct an audit/compliance review of all or a representative sample of payments by County. The audit/compliance review shall be conducted in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of such audit/compliance review at which time the results shall be discussed with University. University Representative shall be provided with a copy of any written evaluation reports in a timely manner.

University shall have the opportunity to review County's audit/compliance review findings, and University shall have thirty (30) days after receipt of County's audit/compliance review findings to submit documentation to County to resolve any audit exceptions. For any audit exceptions unresolved to County's reasonable satisfaction following this thirty (30) day period, County may apply the exception rate found in the audit or sample review period to County's total payment to University as set forth in § 6 and Addendum A. If University chooses to appeal County's application of an audit exception rate under this § 9.3.4, University shall submit documentation for review by DHS Director within thirty (30) days of application of the exception rate.

- 9.3.5. Audit Settlements. Nothing in this Agreement shall restrict the right of County or University to pursue any claims for repayment or additional payment based on the results of an audit/compliance review conducted under § 9.3.4. In the event any third party reimbursement to County, whether by Medicare, Medi-Cal, Medi-Cal/Short Doyle, private or other payers, is denied or reduced solely due to University's failure to provide documentation or support required under this Agreement, University shall indemnify County for such losses. Such losses include denial or reduction with respect to individual claims, cost report disallowances, or others.

- 9.3.6. Failure to Comply. Failure of either Party to comply with the provisions of this § 9.3 shall constitute a material breach of this Agreement. If such breach is not remedied within ninety (90) days following receipt of written notice by County from the non-breaching Party, then it shall become an Event of Termination for Cause pursuant to § 7.4.

10. INDEMNIFICATION

- 10.1. Professional Liability Indemnification.** County shall indemnify, defend and hold harmless University and its officers, employees, agents, students, fellows, volunteers, and Faculty from and against any and all losses, claims, damages, liabilities and expenses, including reasonable attorneys' fees and costs, of every conceivable kind, character, and nature arising out of or connected with any act or omission or alleged act or omission in the rendering of, or failure to render, health care services or treatment at a Primary County Facility or University's Hospital in the performance of Purchased Services under this Agreement by University and its officers, employees, agents, students, fellows, volunteers and Faculty, or by County and its officers, employees, agents, students, fellows and volunteers.

University shall give prompt notice to County of any action or claim to which this indemnification applies and University and its officers, employees, agents, students, fellows, volunteers and Faculty receiving such indemnification from County shall fully cooperate with County in any defense, settlement or other disposition of such claim or action. County shall retain full authority to settle such claims for such amounts and in such circumstances as County determines to be in the best interests of County.

10.2. Indemnification for Employment Practices.

- 10.2.1. By County. To the extent permitted by law and specifically with the exception of punitive damages, County shall indemnify, defend and hold harmless University and its officers, employees, agents, students, fellows, volunteers and Faculty from and against any and all losses, claims, damages, liabilities and expenses including reasonable attorneys' fees and costs, of every conceivable kind, character, and nature arising out of or connected with the employment or employment practices of County Personnel, which includes personnel concurrently employed by University and County, arising out of or connected with the provision of Purchased Services under this Agreement. Employment practices shall include any claims for sexual or other harassment or any form of discrimination or wrongful termination.

University shall give prompt notice to County of any action or claim to which this indemnification applies and University and its officers, employees, agents, students, fellows, volunteers and Faculty receiving

such indemnification from County shall fully cooperate with County in any defense, settlement or other disposition of such claim or action. County shall retain full authority to settle such claims for such amounts and in such circumstances as County determines to be in the best interests of County.

In any civil action or claim in which University is both named as a defendant and punitive damages are alleged against University, University may elect, at its sole expense, to retain counsel to defend University against the allegations of punitive damages. With regard to any civil action or claim to which County's indemnification applies, County shall retain full and sole authority to settle such claims, and direct all litigation from the creation of a discovery plan through any trial on the merits including acting as first chair in trial, notwithstanding any election by University to retain separate counsel with regard to punitive damages. At its sole discretion and expense, University shall have the right to appeal any judgment awarding punitive damages against it.

- 10.2.2. By University. To the extent permitted by law and specifically with the exception of punitive damages, University shall indemnify, defend and hold harmless County and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities and expenses including reasonable attorneys fees and costs, of every conceivable kind, character, and nature arising out of or connected with the employment or employment practices of personnel employed solely by University, arising out of or connected with the provision of Purchased Services under this Agreement. Employment practices shall include any claims for sexual or other harassment or any form of discrimination or wrongful termination.

County shall give prompt notice to University of any action or claim to which this indemnification applies and County and its officers, employees, agents, students, fellows and volunteers receiving such indemnification from University shall fully cooperate with University in any defense, settlement or other disposition of such claim or action. University shall retain full authority to settle such claims for such amounts and in such circumstances as University determines to be in the best interests of University.

In any civil action or claim in which County, its departments, officials or employees are named as a defendant and punitive damages are alleged against County, its departments, officials or employees, County may elect, at its sole expense, to retain counsel to defend County, its departments, officials or employees against the allegations of punitive damages. With regard to any civil action or claim to which University's indemnification applies, University shall retain full and sole authority to settle such claims, and direct all litigation from the creation of a

discovery plan through any trial on the merits including acting as first chair in trial, notwithstanding any election by County to retain separate counsel with regard to punitive damages. At its sole discretion and expense, County shall have the right to appeal any judgment awarding punitive damages against County, its departments, officials or employees.

10.3. No Requirement to Defend or Indemnify with Regard to Administrative Proceedings. Neither County nor University shall be obligated to provide for the defense of any administrative or criminal proceeding brought against any current or former employee of the University, any current or former employee of the County, and/or any employee concurrently or formerly employed by both County and University. Neither County nor University shall be obligated to indemnify any current or former employee of the University, any current or former employee of the County, and/or any employee concurrently or formerly employed by both County and University with regard to costs and expenses associated with such defense. For purposes of this § 10, "administrative proceeding" shall include proceedings before the Medical Board of California.

10.4. General Indemnification.

10.4.1. By County. To the extent not covered by the other indemnification provisions set forth in this § 10, County shall indemnify, defend and hold harmless University and its officers, employees, agents, students, fellows, volunteers and Faculty from and against any and all losses, claims, damages, liabilities and expenses, of every conceivable kind, character, and nature, including bodily injury, death, personal injury, property damage or workers' compensation arising out of or connected with County's operations or any activities conducted by, through or on behalf of County at Primary County Facilities, in the performance of County's obligations hereunder.

University shall give prompt notice to County of any action or claim to which this indemnification applies and University and its officers, employees, agents, students, fellows and volunteers receiving such indemnification from County shall fully cooperate with County in any defense, settlement or other disposition of such claim or action. County shall retain full authority to settle such claims for such amounts and in such circumstances as County determines to be in the best interests of County.

10.4.2. By University. To the extent not covered by the other indemnification provisions set forth in this § 10, University shall indemnify, defend and hold harmless County and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character, and nature, including bodily injury, death, personal injury, property

damage or workers' compensation arising out of or connected with University's operations or any activities conducted by, through or on behalf of University at facilities owned, controlled, or operated by University, in the performance of University's obligations hereunder.

County shall give prompt notice to University of any action or claim to which this indemnification applies and County and its officers, employees, agents, students, fellows and volunteers receiving such indemnification from University shall fully cooperate with University in any defense, settlement or other disposition of such claim or action. University shall retain full authority to settle such claims for such amounts and in such circumstances as University determines to be in the best interests of University.

- 10.4.3. Other Indemnifications. Additional indemnification responsibilities between the Parties are set forth in § 2.1.2.4 (exclusion from federal health care programs), § 9.3.5. (audit settlements), § 11.12.2 (subcontracting), § 11.13 (compliance with applicable law), § 11.15 (fair labor standards) and § 11.16 (employment eligibility verification).

11. ADDITIONAL PROVISIONS

- 11.1. Notices.** Unless otherwise specified in this Agreement, any notice, document, or other communication given or made hereunder shall be in writing and shall be deemed given upon (i) hand delivery or (ii) deposit of the same in the United States registered or certified mail, first-class postage and fee prepaid, and correctly addressed to the Party for whom it is intended at the following addresses:

If to County:

Senior Medical Director
Office of Clinical Affairs and Affiliations
County of Los Angeles Department of Health Services
313 North Figueroa Street, Room 908
Los Angeles, California 90012

with a copy to:

Chief of Contracts and Grants
County of Los Angeles, Department of Health Services
313 North Figueroa Street, 6th Floor East
Los Angeles, California 90012

If to University:

Vice Provost, Administration
Office of the Dean
UCLA School of Medicine
10833 Le Conte Avenue
Los Angeles, CA 90095

with a copy to:

Chief Counsel
UCLA Medical Center
924 Westwood Boulevard
Suite 740
Los Angeles, California 90095

or at such other place or places as may from time to time be specified in a notice similarly given. Each Party shall at all times keep the other Party notified of its current address and shall promptly notify the other Party of any change of address.

11.2. Confidentiality. Notwithstanding any other provision of this Agreement, University and County shall maintain the confidentiality of all records and information, including billings, University reports, audit reports, County records and patient records, as required by applicable Federal, State and local laws, ordinances, rules, regulations and directives (including Department policy and Medical Staff rules and regulations) relating to confidentiality. University and County shall make reasonable efforts to inform all of their officers, employees, agents, independent contractors and others providing services hereunder of the confidentiality provisions of this Agreement. All obligations and responsibilities under this Agreement shall be subject to this § 11.2, except as may be otherwise required by law.

11.3. Nondiscrimination in Services. University shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, sexual orientation, or physical or mental disability, in accordance with requirements of Federal and State law and County policy. University shall use reasonable efforts to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, sexual orientation, or physical or mental disability.

11.4. Nondiscrimination in Employment.

11.4.1. Nondiscrimination. University certifies and agrees that its policy is that all persons employed by it, its affiliates, subsidiaries or holding companies are and shall be treated equally by it without regard to, and shall not be discriminated against because of, race, color, religion,

ancestry, national origin, sex, age, sexual orientation, or physical or mental disability, in compliance with all anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

- 11.4.2. Employment Status. University shall make every effort to ensure that it employs qualified applicants, and treats employees during employment, without regard to race, color, religion, ancestry, national origin, sex, age, sexual orientation, or physical or mental disability, nor shall University discriminate against such applicants or employees because of such characteristics; all in compliance with all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended. Such action shall include the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 11.4.3. Vendors. University shall not discriminate against any subcontractor, bidder, or vendor on the basis of race, color, religion, ancestry, national origin, sex, age, sexual orientation, or physical or mental disability, as required by all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.
- 11.4.4. Verification. University shall allow County representatives access to its employment records for University Personnel during regular business hours to verify compliance with these provisions when so requested by County. Prior to any such inspection, University may remove personal employee information from such records, which is protected under the privacy laws of the State of California. To the extent any such information may come into the possession of County during such an inspection, County hereby promises to protect same from disclosure to third parties.
- 11.4.5. Breach. A determination by the California Department of Fair Employment and Housing or by the Federal Equal Employment Opportunity Commission that University has violated State or Federal anti-discrimination laws or regulations related to its provision of Purchased Services under this Agreement shall constitute a breach of this § 11.4 and shall constitute cause for terminating this Agreement pursuant to § 7.4.

11.5. Staff Performance While Under the Influence. University shall use its reasonable efforts to ensure that none of its personnel shall perform services hereunder while under the influence of any alcoholic beverage, medication,

narcotic, or other substance that might impair his or her physical or mental performance.

- 11.6. University Performance During Disaster or Civil Unrest.** University recognizes that health care facilities maintained by County, including shelters and relief facilities operated by County during a disaster, provide care essential to the population of the communities they serve and that these services are of particular importance at the time of a natural disaster or other similar event, or at the time of a riot, insurrection or civil unrest. Notwithstanding any other provision of this Agreement, University shall continue to provide services at County health care facilities and, if requested to do so by Chief Medical Officer, shall also provide services at County-operated shelters and relief facilities during any natural disaster or other similar event, riot, insurrection or civil unrest, so long as such performance remains physically possible and does not subject University employees, agents and representatives to unreasonable threat to personal safety. Failure to comply with this requirement shall be considered an Event of Termination for Cause pursuant to § 7.4 of this Agreement. To the extent that services are required in excess of those otherwise anticipated under this Agreement, County shall pay University for actual damages and the costs of replacement services at rates to be determined by County pursuant to applicable ordinances. Parties shall work together to develop a plan for the provision of services in the event of a disaster or civil unrest.
- 11.7. Licenses, Permits, Registrations and Certificates.** University and County, respectively, shall obtain and maintain during the term of this Agreement all appropriate licenses, permits, registrations and certificates required by law for the provision of their respective services hereunder. University shall require that all its personnel, including all its independent contractors, who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance hereunder. Copies of all such licenses, permits, registrations and certifications shall be made available to County or University, respectively, upon request.
- 11.8. Unlawful Solicitation.** University shall inform all of its officers, employees and agents, including all its independent contractors, providing services hereunder in writing of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of the Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall use reasonable efforts to ensure that there is no violation of said provisions by its officers, employees, agents and independent contractors. University agrees that if a patient requests assistance in obtaining the services of any attorney, it shall use reasonable efforts to refer the patient to the attorney referral services of all those bar associations within the County of Los Angeles or the appropriate County agency that have such a service.

A copy of such written notice shall be retained by University for purposes of inspection and audit and made available to County upon reasonable written request.

- 11.9. Conflict of Interest.** No County officer or employee whose position in County enables him or her to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such officer or employee shall be knowingly employed in any capacity by University herein, or have any other direct or indirect financial interest in this Agreement.

No officer, employee, agent, or independent contractor of University who may financially benefit from the provision of services hereunder shall in any way participate in County's approval process for the award of this Agreement or any competing agreement, or ongoing evaluation of such services, under this Agreement or any competing agreement, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

University shall comply with all applicable conflict of interest laws now in effect or hereafter to be enacted during the term of this Agreement. University warrants that it is not now aware of any facts which create a conflict of interest. If University hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make a full written disclosure of such facts to County. Full written disclosure shall include identification of all persons involved and a complete description of all relevant circumstances.

11.10. Covenant against Contingent Fees.

11.10.1. Covenant. University warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by University for the purpose of securing business.

11.10.2. Remedy. Breach or violation of this warranty shall constitute an Event of Termination for Cause, pursuant to § 7.4. In addition to the remedies provided in § 7.4, County in its sole discretion shall be permitted to deduct from payments made under this Agreement, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

- 11.11. Delegation and Assignment.** Neither University nor County shall delegate its duties or assign its rights hereunder, either in whole or in part, without prior written consent of the other Party. Any delegation or assignment which does not have such consent shall be null and void. For purposes of this § 11.11, consent shall require a written amendment to this Agreement that is formally approved

and executed by the Parties. Any billings to County by any delegate or assignee on any claim under this Agreement, absent County's consent, shall not be paid by County.

11.12. Subcontracting. No performance of this Agreement, or any portion thereof, shall be subcontracted by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, as provided in this § 11.12. Any attempt by either Party to subcontract any performance, obligation, or responsibility under this Agreement, without the prior written consent of the other Party, shall be null and void and shall constitute an Event of Immediate Termination pursuant to § 7.3 of this Agreement. Each Party shall notify all of its potential subcontractors of the provisions of this § 11.12.

11.12.1. County Approval. If University desires to subcontract any portion of its performance, obligations, or responsibilities under this Agreement, University shall make a written request to County for written approval to enter into the particular subcontract. County will review University's request to subcontract and determine, in its sole discretion, whether or not to consent to such request on a case-by-case basis, which consent shall not be unreasonably withheld. DHS Director or his or her designee is hereby authorized to act for and on behalf of County pursuant to this § 11.12, including consenting to any subcontracting. University's request to County shall include:

- A. The reason(s) for the particular subcontract.
- B. A detailed description of the work to be performed by the proposed subcontractor.
- C. Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected.
- D. A draft copy of the proposed subcontract.
- E. Unless otherwise determined unnecessary by County, copies of certificates of insurance and performance security from the proposed subcontractor establishing that the subcontractor maintains all the programs of insurance required by § 2.9.
- F. Any other information or certifications requested by County.

11.12.2. Indemnification. University shall indemnify, defend, and hold harmless County, its officers, employees and agents, from and against any and all claims, demands, liabilities, damages, costs, and expenses, including reasonable defense costs and legal, accounting or other expert consulting or professional fees arising from or related to University's use of any subcontractor.

11.12.3. Approved Subcontracting. Notwithstanding any County consent to any subcontracting, University shall remain responsible for any and all performance required of it under this Agreement, including the obligation to properly supervise, coordinate, and perform all work required hereunder. No subcontract shall bind or purport to bind County, unless agreed to in writing by County. Further, County approval of any subcontract shall not be construed to limit in any way University's performance, obligations, or responsibilities to County, nor shall such approval limit any of County's rights or remedies contained in this Agreement.

11.12.3.1. *Bound by Agreement*. In the event that County consents to any subcontracting, the subcontractor, on behalf of itself, its successors and administrators, shall assume and be bound by and shall be deemed to have assumed and agreed to be bound by each and all of the provisions of this Agreement and any Amendment hereto.

11.12.3.2. *Consent*. In the event that County consents to any subcontracting, such consent shall apply to each particular subcontract only and shall not be, nor construed to be, a waiver of this § 11.12 or a blanket consent to any further subcontracting.

11.12.3.3. *Liability*. University shall be solely liable and responsible for any and all payments and other compensation to all subcontractors and their officers, employees, and agents. County shall have no liability or responsibility whatsoever for any payment or other compensation for any subcontractors or their officers, employees and agents.

11.12.3.4. *Copies*. University shall deliver to County a fully executed copy of each subcontract entered into by University pursuant to this § 11.12, on or immediately after the effective date of the subcontract but in no event later than the date any work is performed under the subcontract.

11.13. Compliance with Applicable Law. University and County shall comply with all Federal, State, and local laws, ordinances, rules, regulations and directives applicable to its performance hereunder, and University shall cooperate with County with respect to applicable provisions of the Section 1115 Waiver. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference. Each Party shall indemnify the other Party for any violations of this obligation, pursuant to § 10 of this Agreement. Any requirement of this Agreement shall be subject to all Federal, State and local laws, ordinances, rules, regulations and directives.

- 11.14. Authorization Warranty.** Both Parties hereby represents and warrant that the person executing this Agreement on behalf of such Party is an authorized agent who has actual authority to bind that Party to each and every term, condition, and obligation set forth in this Agreement and that all requirements of such Party have been fulfilled to provide such actual authority.
- 11.15. Fair Labor Standards.** Each Party shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify the other Party for any violations of this obligation, pursuant to § 10 of this Agreement.
- 11.16. Employment Eligibility Verification.** Each Party warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and University warrants that the temporary personnel which it refers to Primary County Facilities hereunder, including all independent contractor personnel performing services hereunder, meet the citizenship or alien status requirements contained in Federal statutes and regulations. Each Party shall obtain, from all of its personnel performing services hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Each Party shall retain such documentation for all such personnel for the period prescribed by law. Each Party shall indemnify the other Party for any violations of this obligation, pursuant to § 10 of this Agreement.
- 11.17. Restrictions on Lobbying.** If any Federal monies are to be used to pay for University's services under this Agreement, University shall comply with all certifications and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 U.S.C. Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certifications and disclosure requirements.
- 11.18. County Lobbyists.** University and each County lobbyist or County lobbying firm, as defined in the County of Los Angeles Code Section 2.160.010, retained by University, shall fully comply with the County Lobbyist Ordinance, County of Los Angeles Code Chapter 2.160. Failure on the part of University or any County lobbyist or County lobbying firm retained by University to fully comply with the County Lobbyist Ordinance shall constitute an Event of Immediate Termination pursuant to § 7.3 of this Agreement.
- 11.19. County's Child Support Compliance Program.**
- 11.19.1. University's Warranty of Adherence to County's Child Support Compliance Program. University acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its

taxpayers. As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting University's duty under this Agreement to comply with all applicable provisions of law, University warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act [(42 USC section 653 (a)] and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246 (b).

- 11.19.2. Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program. Failure of University to maintain compliance with the requirements set forth in "Contractor's Warranty of Adherence to County's Child Support Compliance Program" Paragraph immediately above, shall constitute default by University under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement failure of University to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this contract pursuant to the "Termination for Default Paragraph of this Agreement [or "Term and Termination" Paragraph of this Agreement, whichever is applicable] and pursue debarment of University, pursuant to County Code Chapter 2.202.

11.20. Merger and Integration Provision. All exhibits, attachments and addenda to this Agreement are incorporated herein. This Agreement fully expresses all understandings of Parties concerning all matters covered and shall constitute the entire Agreement of the Parties, superseding any prior agreements between the Parties regarding its subject matter. No addition to or alteration of the terms of this Agreement, whether by written or oral understanding of the Parties, their officers, agents or employees, shall be valid unless made in the form of a written amendment to this Agreement which is formally approved and executed by the Parties.

11.21. Severability. If any provision of this Agreement, including all the exhibits, attachments and addenda hereto, or the application thereof to any person or circumstance, is held to be illegal or invalid, the remainder of the Agreement and the application of such provision to other persons or circumstances shall not be affected, except as otherwise provided in this § 11.21. If such invalidation has the effect of materially altering the obligations of either Party, then the Parties shall diligently seek to amend the Agreement to restore the prior balance of obligations. If the Parties are unable to agree on such amendment within forty-five (45) days following notice of the invalidation, then the impaired Party may deem the

invalidation an Event of Termination for Cause under § 7.4 without fault or breach by either Party.

11.22. Investigations. Each Party shall cooperate regarding outside investigations of the other Party as reasonably requested by the other Party as it relates to this Agreement. If any government agency undertakes an investigation of a Party, the other Party shall comply with that Party's reasonable request to make available information and records in connection with the investigation. Compliance with this provision by either Party shall not constitute a waiver of the attorney-client privilege.

11.23. No Third Party Beneficiaries. None of the provisions of this Agreement are or shall be construed as for the benefit of or enforceable by any person not a Party to this Agreement.

11.24. Waiver. No waiver, express or implied, of any breach of this Agreement, shall constitute a waiver of any right under this Agreement or of any subsequent breach, whether of a similar or dissimilar nature. All of the rights or remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and the exercise of any right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

11.25. Interruption of Service. Except as otherwise provided under § 11.6, either Party shall be excused from any delay or failure in performance hereunder caused by reasons of any occurrence or contingency beyond its reasonable control, including acts of God, acts of war, fire, insurrection, labor disputes, riots, earthquakes, or other acts of nature. The obligations and rights of the other Party so excused shall be extended on a day-to-day basis for the duration of such excusable interruption. In the event the interruption of a Party's services continues for a period in excess of thirty (30) days, then upon ten (10) day's notice the other Party may deem the interruption an Event of Immediate Termination under § 7.3, without fault of or breach by either Party.

11.26 University Responsibility and Debarment.

11.26.1. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

11.26.2. University is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the University on this or other agreements which indicates that University is not responsible, the County may, in addition to other remedies provided under the Agreement, debar the University from bidding or proposing on, or being awarded, and/or performing work

on County agreements for a specified period of time not to exceed three (3) years, and terminate any or all existing agreements the University may have with the County

11.26.3. County may debar a contractor if the Governing Body finds, in its discretion, that the contractor has done any of the following: (1) violated a term of an agreement with the County or a nonprofit corporation created by the County, (2) committed any act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform an agreement with the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

11.26.4. If there is evidence that the University may be subject to debarment, the Department will notify University in writing of the evidence which is the basis for the proposed debarment and will advise the University of the scheduled date for a debarment hearing before the County's Contractor Hearing Board.

11.26.5. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The University or University's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative decision, which shall contain a recommendation regarding whether the University should be debarred, and, if so, the appropriate length of time of the debarment. The University and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Governing Body.

11.26.6. After consideration of any objections, or if no objections are submitted, a record of hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Governing Body. The Governing Body shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

11.26.7. These terms shall also apply to subcontractors of University.

11.27. Use of Recycled-Content Bond Paper. Consistent with the Governing Body's policy to reduce the amount of solid waste deposited at County landfills, University agrees to use recycled-content paper to the maximum extent possible in connecting with the services to be performed by University under this Agreement

11.28. Compliance with Jury Service Program.

11.28.1. Jury Service Program. This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

11.28.2. Written Employee Jury Service Policy.

11.28.2.1. Unless University has demonstrated to County's satisfaction either that University is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that University qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), University shall have and adhere to a written policy that provides that its employees shall receive from University, on an annual basis, no less than five (5) days of regular pay for actual jury service served. University's policy may further provide that employees deposit any fees received for such jury service with University or that University deduct from the employee's regular pay the fee received for jury service.

11.28.2.2. For purpose of this Paragraph, and as set forth in the Jury Service Program provision of the County Code as described hereinabove: "Contractor" shall mean a person, partnership, corporation, or other entity, that has a contract with County, or a subcontract with a County contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of Contractor; and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: a) the lesser number is a recognized industry standard as determined by County, or b) Contractor has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If University uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any

such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

11.28.2.3. If University is not required to comply with the Jury Service Program on the effective date of this Agreement, University shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and University shall immediately notify County if University at any time either comes within the Jury Service Program's definitions of "contractor", or if University no longer qualifies for an exception to the Jury Service Program. In either event, University shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Agreement term, and at its sole discretion, that University demonstrate to County's satisfaction that University either continues to remain outside of the Jury Service Program's definition of "contractor" and/or that University continues to qualify for an exception to the Jury Service Program. University and its subcontractors, if applicable, may demonstrate their exemption, or compliance, with the above subject Jury Service Program by completing a "County of Los Angeles Contractor Employee Jury Service Program Application for Exemption and Certification Form" which should be obtained from, and returned to, Director within ten (10) calendar days before the effective date of this Agreement.

11.28.2.4. University's violation of this Paragraph of the Agreement may constitute a material breach of this Agreement. In the event of such breach, County may, in its sole discretion, terminate this Agreement and/or bar University from the award of future County contracts for a period of time consistent with the seriousness of the breach.

11.29. [THIS SECTION INTENTIONALLY OMITTED.]

11.30. University's Acknowledgment of County's Commitment to the Safely Surrendered Baby Law. The University acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The University understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the contractor's place of business. The University will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The County's Department of

Children and Family Services will supply the University with the poster to be used."

11.31. Compliance with Health Insurance Portability and Accountability Act of 1996. The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA"). University understands and agrees that, as a provider of medical treatment services, it is a 'covered entity' under HIPAA and, as such, has obligations with respect to the confidentiality, privacy and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, and the use of appropriate consents and authorizations specified under HIPAA.

The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. University understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on University's behalf. University has not relied, and will not in any way rely, on County for legal advice or other representations with respect to University's obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

UNIVERSITY AND COUNTY UNDERSTAND AND AGREE THAT EACH IS INDEPENDENTLY RESPONSIBLE FOR HIPAA COMPLIANCE AND AGREE TO TAKE ALL NECESSARY AND REASONABLE ACTIONS TO COMPLY WITH THE REQUIREMENTS OF THE HIPAA LAW AND IMPLEMENTING REGULATIONS RELATED TO TRANSACTIONS AND CODE SET, PRIVACY, AND SECURITY. EACH PARTY FURTHER AGREES TO INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY (INCLUDING THEIR OFFICERS, EMPLOYEES, AND AGENTS), FOR ITS FAILURE TO COMPLY WITH HIPAA.

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IN WITNESS WHEREOF, the Board has caused this Agreement to be subscribed in its behalf by Director, and University has caused this Agreement to be subscribed in its behalf by its duly authorized officer as of the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

REGENTS OF THE UNIVERSITY OF
CALIFORNIA, ON BEHALF OF ITS LOS
ANGELES CAMPUS AND SCHOOL OF
MEDICINE

Contractor

By: _____
Signature

Printed Name

Title: _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR

County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief,
Contracts and Grants

EXHIBIT 1-I

County and University Training Programs - Coastal Cluster

1-I.1 ACGME-Accredited County Training Programs. County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County Harbor-UCLA Medical Center, pursuant to this Agreement:

- Anesthesiology
- Emergency Medicine
- Family Practice
- Family Practice - Sports Medicine
- Internal Medicine
- Internal Medicine - Cardiology
- Internal Medicine - Cardiology Interventional
- Internal Medicine - Dermatology
- Internal Medicine - Electrophysiology
- Internal Medicine - Endocrinology
- Internal Medicine - Gastroenterology
- Internal Medicine - Hematology/Oncology
- Internal Medicine - Infectious Diseases
- Internal Medicine - Nephrology
- Internal Medicine - Pulmonary/Critical Care
- Internal Medicine - Rheumatology
- Neurology
- Neurology - Child
- Neurophysiology
- Obstetrics and Gynecology
- Orthopedic Surgery
- Pathology
- Pediatrics
- Pediatrics - Critical Care
- Pediatrics - Endocrinology
- Pediatrics - Gastroenterology
- Pediatrics - Emergency Medicine
- Pediatrics - Infectious Diseases
- Pediatrics - Medical Genetics
- Pediatrics - Neonatal
- Psychiatry
- Psychiatry - Child
- Radiology
- Radiology - Interventional
- Radiology - Neuroradiology
- Radiology - Nuclear
- Surgery
- Surgery - Neurosurgery
- Surgery - Ophthalmology
- Surgery - Otolaryngology
- Surgery - Plastic

Surgery - Urology
Surgery - Vascular
Transitional Year

1-I.2 Non-ACGME-Accredited County Training Programs. County Training Programs shall include the following non-ACGME-accredited training programs which are based at Los Angeles County Harbor-UCLA Medical Center, pursuant to this Agreement:

Internal Medicine - General
Obstetrics/Gynecology - Maternal Fetal
Obstetrics/Gynecology - Reproductive Endocrinology
Obstetrics/Gynecology - Urogynecology
Orthopedic Surgery - Foot and Ankle

EXHIBIT 1-II

County and University Training Programs - Valley Care Cluster

1-II.1 ACGME-Accredited University Training Programs. University Training Programs shall include the following ACGME-accredited training programs which are based at UCLA Medical Center, pursuant to this Agreement:

- Emergency Medicine
- Family Medicine
- Family Medicine - Mid Valley
- Internal Medicine - Cardiology
- Internal Medicine - Gastroenterology
- Internal Medicine - Infectious Disease
- Internal Medicine - Pulmonary
- Neurology
- Obstetrics-Gynecology
- Ophthalmology
- Pathology
- Pediatrics
- Psychiatry
- Radiology
- Surgery - General
- Surgery - Head & Neck
- Surgery - Plastic
- Urology

1-II.2 ACGME-Accredited County Training Programs. County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County - Olive View-UCLA Medical Center, pursuant to this Agreement:

- Internal Medicine - General
- Internal Medicine - Hematology/Oncology
- Internal Medicine - Nephrology
- Internal Medicine - Rheumatology

EXHIBIT 2-I

Coastal Cluster

The following shall constitute the Coastal Cluster:

Los Angeles County/Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

The Primary County Facilities shall include those facilities within the Coastal Cluster which are so identified in Addendum A-I.

EXHIBIT 2-II

Valley Care Cluster

The following shall constitute the Valley Care Cluster:

Los Angeles County – Olive View/UCLA Medical Center

Mid-Valley Comprehensive Health Center

Glendale Health Center

North Hollywood Health Center

San Fernando Health Center

The Primary County Facilities shall include those facilities within the Valley Care Cluster which are so identified in Addendum A-II.

EXHIBIT 3

County Policies and Regulations

Bylaws and Rules and Regulations of the Professional Staff Association of Los Angeles County Harbor-UCLA Medical Center

Bylaws and Rules and Regulations of the Professional Staff Association of Los Angeles County – Olive View/UCLA Medical Center

Patient Transfer Policies of Los Angeles County Harbor-UCLA Medical Center & Patient Transfer Policies of Los Angeles County – Olive View/UCLA Medical Center; to be replaced with DHS Patient Transfer Policy upon its adoption

EXHIBIT 4

University Manuals & Policies

UCLA School of Medicine Dean's Office, "Guidelines for Faculty Search Committees"

University of California, Los Angeles, "The UCLA Call"

University of California, "Academic Personnel Manual"

ADDENDUM A-I

Purchased Services - Coastal Cluster (including Harbor)

Contract Year Ending June 30, 2007 (Contract Year 2007)

- A-I.1. General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-I.4. **In no event shall the fixed and per-unit rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.**

Agreement funds may be used by the University for Faculty stipends supplementing the salaries of County employed physicians providing Purchased Services pursuant to this Agreement to enable the County to recruit and retain high quality physicians. These Faculty stipends may be utilized, as needed, to provide competitive physician salaries based on the most current American Association of Medical Colleges (AAMC) salary surveys.

- A-I.2. Fixed and Variable Costs; Units of Service.** The Parties agree that payment for Purchased Services should reflect:

The following variable costs: (a) per program base cost of operation, which will not vary within a given range of Housestaff enrolled in that program, (b) cost per resident, (c) cost per program director, (d) cost per other Faculty member, (e) recruitment/retention fund and (f) trauma augmentation. Pursuant to § 2.5.2.2., County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities.

The County's pro rata share of the following UCLA fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure; (b) University Representative; (c) University Graduate Medical Education Dean; and (d) University's administrative personnel.

- A-I.3. Volume of Purchased Services.** For Contract Year 2007, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services; but as provided in § A-I.1, the fixed and per-unit rates set forth in § A-I.4 shall not vary during the course of the Contract Year.

For purposes of the payment methodology set forth in this Addendum A, each County Training Program shall be categorized according to the annualized number of Housestaff full time equivalents (FTEs) it includes during Contract Year 2007, as follows:

Size

Small

Medium

Large

Annualized Housestaff FTEs

Ten or fewer (≤ 10)

Between ten and thirty ($10 < x \leq 30$)

Over thirty (> 30)

Small Programs (35)Annualized Housestaff FTEs

Family Medicine - Sports Medicine	2.00
Internal Medicine - Cardiology Interventional	3.00
Internal Medicine - Dermatology	2.00
Internal Medicine - Electrophysiology	2.00
Internal Medicine - Endocrinology	7.00
Internal Medicine - Gastroenterology	4.00
Internal Medicine - General	1.00
Internal Medicine - Hematology/Oncology	5.00
Internal Medicine - Infectious Disease	4.00
Internal Medicine - Nephrology	4.00
Internal Medicine - Pulmonary	6.00
Internal Medicine - Rheumatology	1.00
Neurology	8.00
Neurology - Child	1.00
Neurophysiology	1.00
OB/Gyn - Maternal Fetal	3.00
OB/Gyn - Urogynecology	2.00
Orthopedic Surgery - Foot and Ankle	1.00
Pediatrics - Critical Care	6.00
Pediatrics - Endocrinology	2.00
Pediatrics - Gastroenterology	1.00
Pediatrics - Emergency Medicine	2.00
Pediatrics - Infectious Disease	1.00
Pediatrics - Medical Genetics	2.00
Pediatrics - Neonatal	4.00
Psychiatry - Child	6.00
Radiology - Neuroradiology	1.00
Radiology - Interventional	1.00
Radiology - Nuclear	1.00
Surgery - Neurosurgery	2.00
Surgery - Ophthalmology	5.00
Surgery - Otolaryngology	5.00
Surgery - Plastic	1.00
Surgery - Urology	2.00
Surgery - Vascular	<u>1.00</u>
	100.00

<u>Medium Programs (8)</u>	<u>Annualized Housestaff FTEs</u>
Anesthesiology	14.00
Internal Medicine - Cardiology	13.00
Ob/Gyn	20.00
Orthopedic Surgery	15.00
Pathology	15.00
Psychiatry	28.00
Radiology	20.00
Transitional Year	<u>24.00</u>
	149.00

<u>Large Programs (5)</u>	<u>Annualized Housestaff FTEs</u>
Emergency Medicine	42.00
Family Practice	40.00
Internal Medicine	58.00
Pediatrics	31.00
Surgery	<u>45.00</u>
	216.00

A-I.4 Fixed, Unit and Total Payments. During Contract Year 2007 County shall compensate University as follows (prices are rounded to the nearest \$500).

<u>Variable Costs</u>	<u>Unit Price</u>	<u>No. of Units</u>	<u>Total Price</u>
Per Resident	\$ 3,706	465	\$ 1,723,500
Program Directors	\$18,450	41	\$ 756,500
Faculty Members	\$ 8,209	224	\$ 1,839,000
Small Program	\$31,353	35	\$ 1,097,500
Base Cost (per program)			
Medium Program	\$57,656	8	\$ 461,500
Base Cost (per program)			
Large Program	\$117,875	5	\$ 589,500
Base Cost (per program)			
University Housestaff Salaries		16	\$ 792,000
Faculty Trauma Augmentation(1)			\$ 784,000
Faculty Recruitment/Retention Fund (See Addendum A-I.6)			\$ 1,215,000
DHS Informatics Program			\$ 359,000
Total Variable Costs			\$ 9,617,500

<u>Fixed Costs</u>	<u>Total Price</u>
Academic Infrastructure	\$ 820,000
University Representative	\$ 34,000
GME Dean	\$ 41,000
Administrative Personnel	\$ 102,500
Associate Dean Harbor/UCLA	\$ 51,500
Total Fixed Costs	\$ 1,049,000

Total Coastal Payment for Contract Year 2007 **\$10,666,500**

- (1) Represents funding approved by the Board in FY 2005-06 for Harbor to accept additional trauma cases from King-Drew due to the closure of the King-Drew trauma service.

A-I.5 Retroactive Payments for Contract Year 2006

During contract Year 2007 only, County shall compensate University the following retroactive variable cost payments for Contract Year 2006. This retroactive payment will be in addition to the amounts previously paid to the University under the prior contract for Contract Year 2006.

<u>Variable Costs</u>	<u>Unit Price</u>	<u>No. of Units</u>	<u>Total Price</u>
Per Resident (1)	\$3,616	2	\$ 7,232
Faculty Members (2)	\$8,009	1	\$ 8,009
Small Program Base Cost (3)	\$30,588		\$ 30,588
Base Cost (per program)			
Faculty Recruitment /Retention Fund (4)			\$ 142,021
Total Variable Cost Increase			\$ 187,850

- (1) Coastal re-established the Dermatology program effective July 1, 2005 to address a Residency Review Committee citation that was required to support other training programs in Medicine, etc. Two additional Dermatology residents were added to the Agreement effective July 1, 2005. The ordinance only County positions for these two Dermatology residents was approved by the Board as part of Harbor's FY 2005-06 Final Supplemental Budget Resolution.
- (2) One additional faculty member was added to the agreement upon the re-establishment of the Dermatology program effective July 1, 2005.
- (3) Represents the re-establishment of the Dermatology program effective July 1, 2005.
- (4) In Contract Year 2005, the Board approved additional trauma funding for Harbor in order to address the increase in trauma cases from King-Drew. Payment is for the cost of one trauma surgeon (orthopaedics) effective July 1, 2005.

A-I.6 Faculty Recruitment & Retention Fund. Addendum A includes a new faculty recruitment and retention fund in the amount of \$1,215,000 for additional stipends to assist in the recruiting of new faculty and retaining existing faculty in hard-to-recruit specialties. To ensure accountability, the Facility Joint Planning Operations Committee will make all determinations regarding the use of this fund.

A-I.7 Primary County Facilities. The following facilities shall constitute the Primary County Facilities within County's Coastal Cluster:

Los Angeles County/Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

ADDENDUM A-II

Purchased Services - Valley Care Cluster (including Olive View)

Contract Year Ending June 30, 2007 (Contract Year 2007)

- A-II.1 General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-II.4. **In no event shall the fixed and per-unit rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.**

Agreement funds may be used by the University for Faculty stipends supplementing the salaries of County employed physicians providing Purchased Services pursuant to this Agreement to enable the County to recruit and retain high quality physicians. These Faculty stipends may be utilized, as needed, to provide competitive physician salaries based on the most current American Association of Medical Colleges (AAMC) salary surveys.

- A-II.2 Fixed and Variable Costs; Units of Service.** The Parties agree that payment for Purchased Services should reflect:

The following variable costs: (a) per program base cost of operation, which will not vary within a given range of Housestaff enrolled in that program; (b) cost per resident; (c) cost per program director; (d) cost per other Faculty member and (e) recruitment/retention fund. Pursuant to § 2.5.2.2, County shall also reimburse University for its cost for University Housestaff assigned to Primary County Facilities.

The County's pro rata share of the following UCLA fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (v) overall academic infrastructure, (w) University Representative, (x) University Graduate Medical Education Dean, (y) University's administrative personnel, and (z) Faculty.

- A-II.3 Volume of Purchased Services.** For Contract Year 2007, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services; but as provided in § A-II.1, the fixed and per-unit rates set forth in § A-II.4 shall not vary during the course of the Contract Year.

For purposes of the payment methodology set forth in this Addendum A-II, each University and County Training Program shall be categorized according to the annualized number of Housestaff full time equivalents (FTEs) it includes during Contract Year 2007, as follows:

Size

Small

Medium

Large

Annualized Housestaff FTEs

Ten or fewer (≤ 10)

Between ten and thirty ($10 < x \leq 30$)

Over thirty (> 30)

<u>Small Programs (20)</u>	<u>Annualized Housestaff FTEs</u>
Anesthesiology	2.00
Emergency Medicine/Internal Medicine	5.00
Family Medicine	5.00
Family Medicine - Mid-Valley	1.25
Internal Medicine - Cardiology	3.00
Internal Medicine - Gastroenterology	4.00
Internal Medicine - Hematology/Oncology	7.00
Internal Medicine - Infectious Disease	2.00
Internal Medicine - Nephrology	3.00
Internal Medicine - Pulmonary	2.00
Internal Medicine - Rheumatology	2.00
Neurology	3.00
Ophthalmology	4.00
Pathology	1.00
Pediatrics	10.00
Radiology	7.00
Surgery - General	7.00
Surgery - Head and Neck	3.00
Surgery - Plastic	1.00
Urology	<u>2.00</u>
	74.25

<u>Medium Programs (3)</u>	<u>Annualized Housestaff FTEs</u>
Emergency Medicine	18.00
OB-Gyn	13.00
Psychiatry	<u>11.00</u>
	42.00

<u>Large Programs (1)</u>	<u>Annualized Housestaff FTEs</u>
Internal Medicine	64.75

A.II.4 Fixed, Unit and Total Payments. During Contract Year 2007, County shall compensate University as follows (all prices are rounded to the nearest \$500):

<u>Variable Costs</u>	<u>Unit Price</u>	<u>No. of Units</u>	<u>Total Price</u>
Per Resident	\$ 4,223	181	\$ 764,500
Program Directors	\$ 27,977	24	\$ 671,500
Faculty Members	\$ 6,862	104	\$ 713,500
Small Program Base Cost (per program)	\$41,000	20	\$ 820,000
Medium Program Base Cost (per program)	<u>\$76,875</u>	3	\$ 230,500
Large Program Base Cost (per program)	\$117,875	1	\$ 118,000
University Housestaff Salaries		181	\$ 8,752,000
Faculty Recruitment/Retention Fund (See Addendum A-II.6)			\$ 512,500
Clinical Resource Management			\$ 184,500
Total Variable Costs			\$12,767,000
<u>Fixed Costs</u>			<u>Total Price</u>
Academic Infrastructure			\$ 1,645,000
University Representative			\$ 31,000
GME Dean			\$ 41,000
Administrative Personnel			\$ 102,500
Associate Dean OV/UCLA			\$ 51,500
Total Fixed Costs			\$ 1,871,000
Valley Care Payment for Contract Year			<u>\$14,638,000</u>

A-II.5 Retroactive Payments for Contract Year 2006

During contract Year 2007 only, County shall compensate University the following retroactive variable cost payments for Contract Year 2006. This retroactive payment will be in addition to the amounts previously paid to the University under the prior contract for Contract Year 2006.

<u>Variable Costs</u>	<u>Unit Price</u>	<u>No. of Units</u>	<u>Total Price</u>
Per Resident (1)	\$4,120	18	\$ 74,160
University Housestaff (1)			\$ 1,080,135
Total Variable Cost Increase			\$ 1,154,295

- (1) The addition of 18 additional residents was necessitated by the transfer of the Medicine program from Sepulveda Veteran's Administration to Olive View-UCLA Medical Center, and to comply with ACGME requirements. The University's resident salary increase effective October 1, 2005 is included in this total (9 months). This salary increase is based upon the University academic salary scale. Unlike most DHS hospitals, Olive View does not directly employ residents. Olive View's residents rotate to their facility from the University's training program.

A-II.6 Faculty Recruitment & Retention Fund. Addendum A includes a new faculty recruitment and retention fund in the amount of \$512,500 for additional stipends to assist in the recruiting of new faculty and retaining existing faculty in hard-to-recruit specialties. To ensure accountability, the Facility Joint Planning Operations Committee will make all determinations regarding the use of this fund.

A-II.7 Primary County Facilities. The following facilities shall constitute the Primary County Facilities within County's Valley Care Cluster:

Olive View-UCLA Medical Center
Mid-Valley Comprehensive Health Center

ADDENDUM A-III

Faculty Teaching Incentive Fund

Contract Year Ending June 30, 2007 (Contract Year 2007)

A.III.1 General Provisions. Facility JPO Committee will establish annual awards for excellence in teaching to be awarded to Faculty each Contract Year, effective July 1, 2006 going forward. Faculty recipients and the amount of each award will be determined by the Facility JPO based on written criteria to be jointly developed and agreed upon by University and County. In developing written criteria, University and County shall include resident and medical student participation as necessary criteria.

A.III.2 Payments. University and County agree to equally finance the Incentive Fund contributions each Contract Year, effective July 1, 2006 going forward, with University and County contributing \$25,000 each. The County's \$25,000 contribution shall be equally split. The Coastal Cluster and Valley Care will contribute \$12,500 each. This proration, between Coastal and Valley Care, of the County's contribution to the incentive fund is subject to change at any time, as determined by the DHS Director. County shall remit to University payment of the \$25,000 incentive fund contribution with the first calendar quarter payment.

ADDENDUM A-IV

Total Payments

Contract Year Ending June 30, 2007 (Contract Year 2007)

	<u>Contract Year 2007</u>
Coastal Purchased Services	\$ 10,666,500
Valley Care Purchased Services	\$ 14,638,000
Coastal Incentive Fund	\$ 12,500
Valley Care Incentive Fund	\$ 12,500
Total Payment	<u>\$ 25,329,500</u>

ADDENDUM B

PERFORMANCE AND PRODUCTIVITY

B.1. OVERVIEW

University shall participate with County to monitor and evaluate University's performance and productivity under this Agreement. In the spirit of cooperation and partnership, University and County will continue to pursue their joint goal of achieving and maintaining a high level of academic excellence among faculty and residents. To accomplish this goal, University and County representatives will communicate their ideas and recommendations at the appropriate committees and meetings where education and/or patient care are discussed. The parties agree that achievement of the stated goals is an evolving process and both parties will work together to continuously refine performance measures and the process for ensuring accountability.

B.2. EDUCATION

B.2.1. System Joint Planning and Operations Committee

To assure timely communication between University and County regarding academic matters, the parties agree to address key academic issues during regular meetings of the system Joint Planning and Operations Committee as outlined in Section 8.3 "System JPO Committee Responsibilities."

B.2.2. Educational Performance Indicators

Resident academic performance shall be monitored in accordance with guidelines and standards set by the Accreditation Council for Graduate Medical Education (ACGME) and specialty and subspecialty certification boards. Faculty performance shall be monitored in accordance with the guidelines set by the applicable accrediting bodies and the terms and conditions of this Agreement. County may impose liquidated damages where required information and performance reports are not submitted by University to the County as further described in Section B.2.3 below, or if the ACGME withdraws program or institutional accreditation status.

To meet residency program education performance monitoring requirements under this Agreement with regard to all programs listed in Addendums A-I and A-II, the University shall submit the following reports to the Medical Executive Committee for review and approval prior to submission to the County Governing Body.

1. Quarterly ACGME Accreditation Status for all County residency programs.
2. Quarterly ACGME Accreditation Cycle Length for all County residency programs.
3. Quarterly Internal Review Schedule for all residency programs and actual dates of review during the reporting period.
4. Semi-Annual report to identify the ACGME status of County residency programs ("Semi-Annual Status Report"). The information to be included in this Semi-Annual Status Report will include the information described in Table B.2. below and is intended to identify any ACGME programs that have received formal accreditation letters with citations, concerns, or comments.
5. Semi-Annual Corrective Action Plan for programs identified in Semi-annual Status Report as having received accreditation letters with citations, concerns, or comments.
6. Annual Report of the GMEC. The Annual Report of the GMEC shall include information regarding the following: resident supervision; resident evaluation; resident responsibilities; resident compliance with duty hour standards; and, results of the most recent National Residents Matching Program ("NRMP") match. The Annual Report of the GMEC shall also include total County Housestaff numbers by specialty and subspecialty including the number of County Housestaff approved by the accrediting body, and an accurate and complete listing of non-County facilities that accommodate resident rotations and the annualized number of residents that rotated.
7. The University shall notify County within five (5) business days of when the University receives notice that any program has a final accreditation status from the ACGME of Probationary Accreditation or Accreditation Withdrawn.
8. The University shall promptly notify County in the event that any program receives a commendation from the ACGME. University and County agree to recognize this commendation in writing to the Program Director and to the Department Chairperson, and to jointly provide any other incentives agreed upon by the parties.

TABLE B-2

REPORTING REQUIREMENTS	SPECIALTY/SUBSPECIALTY
Is the following issue cited or commented on in any ACGME accreditation letter?	List specialties or subspecialties referenced in letters from ACGME
1. Inadequate Institutional support for program or oversight issues	
2. Inadequate financial support for program	

3.	Lack of faculty, number or qualifications (educational resources)	
4.	Heavy service component or service-oriented citations	
5.	Inadequate scholarly activity (either faculty or residents)	
6.	Resident supervision citations or concerns	
7.	Resident duty hour or on-call citations or concerns	
8.	ACGME six general competencies	
9.	Resident, faculty, program evaluation citations	
10.	Internal review citations	
11.	Resident eligibility, selection citations	
12.	Food services or on-call room citations	
13.	Resident agreement or contract issues	
14.	Patient support services, IVs, labs, personnel, etc.	
15.	Medical records, retrieval problems	
16.	Security problems in any location in institution or grounds	
17.	Board certification passing rate	
18.	Resident in-service exam scores	
19.	Program Director protected time for educational and administrative responsibilities to the program	

B.2.3. Performance Guarantees.

The University agrees that County requires the reports listed in this section B.2. to monitor the ongoing performance and quality of residency program education. To cooperate with County, University agrees to compensate County according to the following schedule for each failure of University to provide certain required reports provided that, in each instance, the County has exhausted all reasonable efforts to obtain the required data through County sources and has so informed the University:

1. University shall compensate County \$3,000.00 for each quarterly Internal Review Schedule, including actual dates of review, not timely submitted to County within sixty (60) calendar days of the end of each Contract Year quarter.
2. University shall compensate County \$2,000.00 for each of the following reports not submitted to County within sixty (60) calendar days of the end of each Contract Year quarter: (i) Quarterly ACGME Accreditation Status for all County residency programs; and (ii) Quarterly ACGME Accreditation Cycle Length for all County residency programs. University shall compensate County \$2,000.00 for each of the following

reports not submitted to County within sixty (60) calendar days of the end of each two consecutive Contract Year quarters: (iii) Semi-Annual Status Report.

3. University shall compensate County \$5,000.00 for each Annual Report of the GMEC (see B.2.2. Number 6) not submitted to County by September 30 following the end of a Contract Year.
4. University shall compensate County \$1,000.00 for each failure of the University to provide within sixty (60) days of the close of the Contract Year an accurate annual written report on the number of total County Housestaff numbers by specialty and subspecialty including the number of County Housestaff approved by the ACGME.
5. University shall compensate County \$5,000.00 for each required Physician Compensation Report not submitted by August 15 of a Contract Year.

B.3. SCOPE OF ACADEMIC SERVICES

B.3.1 University will provide oversight services for:

1. Academic administration of residency training programs, as listed in Addendum A.
2. Regular graduate medical education as delivered through Grand Rounds, Journal Club, Noon Conferences, Morbidity and Mortality Conferences and the Tumor Board.
3. Academic direction of the Graduate Medical Education Committee (GMEC)
4. Academic direction for the selection of qualified physician candidates applying for admission into County residency programs.
5. Monitoring housestaff duty hours for compliance with ACGME accreditation requirements.
6. Programs that enhance the skills and knowledge of Housestaff in the following areas:
 - a. Biomedical and clinical sciences
 - b. Interpersonal and communication skills
 - c. Professionalism
 - d. Health care systems
 - e. Continuous quality improvement
 - f. Compassionate and cost-effective medicine
7. Evaluation of Housestaff by Faculty.
8. Evaluation of Faculty by Housestaff.
9. Evaluation of Faculty, through the University process for appointments and promotions.
10. Evaluation and counseling of impaired Housestaff.

B.3.2 The University will provide a minimum of 17,760 hours of scheduled academic activities per academic year (10,200 hours Coastal, 7,560 hours Valley Care).

B.3.3. Accounting For Physician Staffing Levels, Compensation and Use of Agreement Funds

County and University shall maintain sufficient records to evaluate whether University is being compensated in accordance with the terms of this Agreement.

University shall provide information and reports to be utilized by the County for monitoring actual clinical and academic service staffing and determining University's compliance with the Agreement. University and Hospital procedures established to track Faculty and County Housestaff staffing levels and Faculty compensation include but are not limited to the following:

1. Within 45 days of the close of the Contract Year, University shall provide accurate written annual reports at Facility JPO Committee meetings on the number of total County Housestaff numbers by specialty and subspecialty including the number of County Housestaff approved by the ACGME and shall also provide a list identifying, by specific program, all current County Housestaff and all medical facilities through which County Housestaff rotate.
2. Annually, County shall provide University with total County compensation for County physicians who are dually employed by County and University.
3. By no later than August 15 following the end of each Contract Year, University shall provide accurate written annual reports depicting the physician compensation paid through this Agreement, with individual physician names redacted ("Physician Compensation Report"). University shall compensate County \$5,000.00 for each required Physician Compensation Report not submitted by August 15 of a Contract Year.

B.4. COMMUNICATION AND INFORMATION SHARING

University shall participate with County in the periodic review of facilities where Purchased Services are provided. University and County will jointly develop plans of correction in accordance with ACGME guidelines and standards. Areas of concern and/or deficiency will be reported and addressed through the local and system governing structures as required by ACGME and County policies. These governing structures include the Facility Graduate Medical Education Committee (GMEC), the Facility and System JPO Committee, and the Hospital Governing Body. Minutes of Hospital Governing Body meetings will reflect reports regarding the resolution of issues.